# Walmart, Inc. - Forests 2023

## F0. Introduction

### F0.1

**(F0.1) Give a general description of and introduction to your organization.**

Walmart Inc. ("Walmart," the "Company" or "we") is a people-led, technology-powered omni-channel retailer dedicated to help people around the world save money and live better by providing the opportunity to shop in both retail stores and through eCommerce, and to access our other service offerings. Through innovation, we strive to continuously improve a customer-centric experience that seamlessly integrates our eCommerce and retail stores in an omni-channel offering that saves time for our customers. Each week, we serve approximately 240 million customers who visit more than 10,500 stores and numerous eCommerce websites in 20 countries.

Our operations comprise three reportable segments: Walmart U.S., Walmart International and Sam's Club. Our fiscal year ends on January 31 for our United States ("U.S.") and Canadian operations. We consolidate all other operations generally using a one-month lag and on a calendar year basis. Our discussion is as of and for the fiscal years ended January 31, 2023 ("fiscal 2023"). During fiscal 2023, we generated total revenues of $611.3 billion, which was comprised primarily of net sales of $605.9 billion.

Our strategy is to make every day easier for busy families, operate with discipline, sharpen our culture and become more digital, and make trust a competitive advantage. Making life easier for busy families includes our commitment to price leadership, which has been and will remain a cornerstone of our business, as well as increasing convenience to save our customers time. By leading on price, we earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices. We are committed to doing this in a way that is regenerative - helping to renew people and the planet through our business.

This report covers the activities of Walmart Inc., and its wholly owned subsidiaries, excluding eCommerce subsidiaries, businesses, platforms and/or marketplaces, unless otherwise noted. In certain instances, this report refers to goals and undertakings jointly pursued by Walmart and the Walmart Foundation—a separately incorporated 501(c)(3) private charitable foundation, entirely funded by the Company. All data provided in this survey is for private brands only unless otherwise noted.

Additional information about Walmart can be found by visiting http://corporate.walmart.com, on Facebook at http://facebook.com/walmart and on Twitter at http://twitter.com/walmart and our 2022 Environmental, Social and Governance (ESG) Report at https://corporate.walmart.com/esgreport/

### F0.2

**(F0.2) State the start and end date of the year for which you are reporting data.**

| | Start Date | End Date |
|---|---|---|
| Reporting year | February 1 2022 | January 31 2023 |

### F0.3

**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

USD

## F0.4

**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

**Timber products**

**Commodity disclosure**
Disclosing

**Stage of the value chain**
Retailing

**Are you disclosing information on embedded commodities?**
No, but we do have embedded commodities

**Explanation if not disclosing**
<Not Applicable>

**Palm oil**

**Commodity disclosure**
Disclosing

**Stage of the value chain**
Retailing

**Are you disclosing information on embedded commodities?**
Yes

**Explanation if not disclosing**
<Not Applicable>

**Cattle products**

**Commodity disclosure**
Disclosing

**Stage of the value chain**
Manufacturing
Retailing

**Are you disclosing information on embedded commodities?**
No, but we do have embedded commodities

**Explanation if not disclosing**
<Not Applicable>

**Soy**

**Commodity disclosure**
Disclosing

**Stage of the value chain**
Retailing

**Are you disclosing information on embedded commodities?**
Yes

**Explanation if not disclosing**
<Not Applicable>

**Other - Rubber**

**Commodity disclosure**
Not disclosing

**Stage of the value chain**
Retailing

**Are you disclosing information on embedded commodities?**
<Not Applicable>

**Explanation if not disclosing**
As outlined in our Forests Policy, Walmart is focused on key commodities that, according to the World Economic Forum, are responsible for global deforestation in tropical forests: palm oil, pulp and paper, timber, beef, and soy. Therefore, for the purposes of this CDP Disclosure, we are focused on disclosures related to those priority commodities. At the same time, we recognize that additional production systems may also be associated with potential forest risks, such as cocoa, coffee, rubber, and forest-based fabrics. We encourage our suppliers of these types of products to work to source products that do not contribute to deforestation and conversion.

**Other - Cocoa**

**Commodity disclosure**
Not disclosing

**Stage of the value chain**
Retailing

**Are you disclosing information on embedded commodities?**
<Not Applicable>

**Explanation if not disclosing**
As outlined in our Forests Policy, Walmart is focused on key commodities that, according to the World Economic Forum, are responsible for global deforestation in tropical forests: palm oil, pulp and paper, timber, beef, and soy. Therefore, for the purposes of this CDP Disclosure, we are focused on disclosures related to those priority commodities. At the same time, we recognize that additional production systems may also be associated with potential forest-risks, such as cocoa, coffee, rubber, and forest-based fabrics. We encourage our suppliers of these types of products to work to source products that do not contribute to deforestation and conversion.

**Other - Coffee**

**Commodity disclosure**
Not disclosing

**Stage of the value chain**
Retailing

**Are you disclosing information on embedded commodities?**
<Not Applicable>

**Explanation if not disclosing**
As outlined in our Forests Policy, Walmart is focused on key commodities that, according to the World Economic Forum, are responsible for global deforestation in tropical forests: palm oil, pulp and paper, timber, beef, and soy. Therefore, for the purposes of this CDP Disclosure, we are focused on disclosures related to those priority commodities. At the same time, we recognize that additional production systems may also be associated with potential forest-risks, such as cocoa, coffee, rubber, and forest-based fabrics. We encourage our suppliers of these types of products to work to source products that do not contribute to deforestation and conversion.

## F0.5

**(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported**
Other, please specify (Report covers Walmart & wholly owned subsidiaries, excluding eComm. subsidiaries, businesses, platforms & marketplaces unless noted. Report refers to co-pursuits by Walmart & Walmart Foundation—a separately incorporated 501(c)(3) funded by Walmart)

## F0.6

**(F0.6) Select the countries/areas in which you operate.**
Botswana
Canada
Chile
China
Costa Rica
El Salvador
Eswatini
Guatemala
Honduras
India
Kenya
Lesotho
Malawi
Mexico
Mozambique
Namibia
Nicaragua
South Africa
United States of America
Zambia

## F0.7

**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**
Yes

## F0.7a

**(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.**

**Forest risk commodity**

Timber products

**Value chain stage**
Supply chain

**Exclusion**
Specific product line(s)

**Description of exclusion**
Our response only includes pulp, paper, and timber for private brands. All other forms of the commodity, unless explicitly stated, are not included. Some examples of exclusions are packaging and man made cellulosic fibers (non-exhaustive list).

**% of volume excluded**
Don't know

**Potential for forests-related risk**
Don't know

**Please explain**
We are prioritizing four key commodities (beef, soy, palm oil and pulp, paper and timber), we recognize that additional production systems may also be associated with potential forest-risks. As outlined in our Forests Policy, we encourage our suppliers of these types of commodities to work to source products that do not contribute to deforestation and conversion.

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**Forest risk commodity**
Soy

**Value chain stage**
Supply chain

**Exclusion**
Specific product line(s)

**Description of exclusion**
Our response only includes soy oils for our Walmart Mexico and Central America business for private brands. All other forms of the commodity, unless explicitly stated, are not included.

**% of volume excluded**
Don't know

**Potential for forests-related risk**
Don't know

**Please explain**
We are prioritizing four key commodities (beef, soy, palm oil and pulp, paper and timber), we recognize that additional production systems may also be associated with potential forest-risks. As outlined in our Forests Policy, we encourage our suppliers of these types of commodities to work to source products that do not contribute to deforestation and conversion.

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**Forest risk commodity**
Cattle products

**Value chain stage**
Supply chain

**Exclusion**
Specific product line(s)

**Description of exclusion**
Our response only includes fresh and frozen beef from private and national brands unless otherwise noted. All other forms of this commodity are excluded from our response.

**% of volume excluded**
Don't know

**Potential for forests-related risk**
Don't know

**Please explain**
We are prioritizing four key commodities (beef, soy, palm oil and pulp, paper and timber), we recognize that additional production systems may also be associated with potential forest-risks. As outlined in our Forests Policy, we encourage our suppliers of these types of commodities to work to source products that do not contribute to deforestation and conversion.

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**Forest risk commodity**
Palm oil

**Value chain stage**
Supply chain

**Exclusion**
Business activity

**Description of exclusion**
Our response only includes our private brand products that contain palm oil as an embedded ingredient. All other forms of this commodity are excluded from our response.

**% of volume excluded**
Don't know

**Potential for forests-related risk**
Don't know

**Please explain**

We are prioritizing four key commodities (beef, soy, palm oil and pulp, paper and timber), we recognize that additional production systems may also be associated with potential forest-risks. As outlined in our Forests Policy, we encourage our suppliers of these types of commodities to work to source products that do not contribute to deforestation and conversion.

## F0.8

**(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|---|---|
| Yes, a Ticker Symbol | WMT |

# F1. Current state

## F1.1

**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

**Timber products**

**Activity**

Retailing/onward sale of commodity or product containing commodity

**Form of commodity**

Hardwood logs
Softwood logs
Sawn timber, veneer, chips
Unprocessed wood fiber
Pulp
Paper
Boards, plywood, engineered wood
Primary packaging
Secondary packaging
Tertiary packaging
Goods not for resale (GNFR)
Other, please specify (Furniture)

**Source**

Contracted suppliers (manufacturers)

**Country/Area of origin**

Canada
China
Germany
Indonesia
Mexico
Republic of Korea
Thailand
United States of America
Viet Nam

**% of procurement spend**

Please select

**Comment**

Timber is used in the form of pulp, paper, and timber in Walmart private brand products and packaging. Walmart has a Pulp, Paper, and Timber Products goal that can be found within our Forests Policy. For more information on our pulp and paper commitments please see our Product Supply Chain Sustainability ESG report.

### Palm oil

#### Activity
Retailing/onward sale of commodity or product containing commodity

#### Form of commodity
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

#### Source
Contracted suppliers (manufacturers)

#### Country/Area of origin
Brazil
Cambodia
Colombia
Ecuador
Guatemala
Honduras
India
Indonesia
Malaysia
Mexico
Papua New Guinea
Peru
Philippines
Thailand

#### % of procurement spend
Don't know

#### Comment
We are unable to provide the percent of procurement spend as we do not procure palm oil directly; our manufacturers procure palm oil for inclusion in certain products we sell and we are not in a position to impute a percentage of cost of goods sold to palm oil versus other components.

Walmart has a Palm Oil goal that may be found within our Forests Policy as well as specific aspirations and goals which may be found in our ESG reporting. For more information on our palm oil commitments please see our Product Supply Chain Sustainability ESG report.

### Cattle products

#### Activity
Retailing/onward sale of commodity or product containing commodity

#### Form of commodity
Beef
By-products (e.g. glycerin, gelatin)
Hides/leather
Other, please specify (Beef (fresh and frozen); Shelf-stable beef (canned and pouched))

#### Source
Contracted suppliers (manufacturers)

#### Country/Area of origin
Argentina
Australia
Brazil
Canada
Chile
China
Colombia
Mexico
New Zealand
Paraguay
United States of America
Uruguay

#### % of procurement spend
1-5%

#### Comment
Walmart sources from U.S. Central America, South America (Argentina, Paraguay and Colombia) and South East Asia.

The procurement spend percentage of beef represented above is for private and national brand fresh and frozen beef only and is representative of beef sourced globally - not just from the priority regions specified in our Forests Policy (Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay).

For more information on our approach to beef, please see our Product Supply Chain Sustainability ESG report.

### Soy

**Activity**
Retailing/onward sale of commodity or product containing commodity

**Form of commodity**
Whole soy beans
Soy bean oil
Soy bean meal
Soy derivatives

**Source**
Contracted suppliers (manufacturers)

**Country/Area of origin**
Argentina
Brazil
United States of America

**% of procurement spend**
<1%

**Comment**
Country /area of origin is not exhaustive of every country as soy is embedded in many products and thus difficult to trace fully.

The % procurement spend is representative of private brand soy bean oil procured for Walmart and Sam's Club Mexico and Walmart Central America, where, due to the composition and sourcing nature of those products, we are able to identify and trace the soy.

We are currently unable to provide the percent of procurement spend for embedded soy products as we do not procure soy directly for those products; our manufacturers procure soy directly for inclusion in certain products we sell, such as the soy bean meal used for animal protein, and thus we are not in a position to impute a percentage of cost of goods sold that contain embedded soy versus other components.

For more information on our soy policies, approach, and commitments, please see our Product Supply Chain Sustainability ESG report.

## F1.2

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

| | % of revenue dependent on commodity | Comment |
|---|---|---|
| Timber products | Please select | |
| Palm oil | Don't know | We are unable to provide the percent of revenue since palm oil is an embedded ingredient and sourced directly by our suppliers, thus we are not in a position to impute a percentage of revenue for palm oil embedded in products. |
| Cattle products | 1-5% | The percentage of revenue reported is based on private and national brand fresh and frozen beef only, and is representative of beef sourced globally - not just from the priority regions specified in or Forests Policy (Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay). |
| Soy | <1% | The percentage of revenue reported is based on bean oil sold at Walmart and Sam's Mexico and Walmart Central America, where, due to the composition and sourcing nature of soy oil, we are able to identify and trace the soy used. |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F1.5

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

| | Data availability/Disclosure |
|---|---|
| Timber products | Consumption data available, disclosing |
| Palm oil | Consumption data available, disclosing |
| Cattle products | Consumption data available, disclosing |
| Soy | Data not available |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

## F1.5a

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

**Forest risk commodity**
Timber products

**Data type**
Consumption data

**Commodity production/ consumption volume**
2333361

**Metric for commodity production/ consumption volume**
Metric tons

**Data coverage**
Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**
Yes

**% of reported volume verified as deforestation- and/or conversion-free**
19

**Please explain**
Supplier data not yet verified. In 2022, suppliers representing 92% of the relevant business responded to the Private Brand Forest Survey, which is the basis for our reporting.

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**Forest risk commodity**
Palm oil

**Data type**
Consumption data

**Commodity production/ consumption volume**
127482

**Metric for commodity production/ consumption volume**
Metric tons

**Data coverage**
Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**
Yes

**% of reported volume verified as deforestation- and/or conversion-free**
8

**Please explain**
For Walmart Inc. private brand products globally, in FY2023 supplier reported palm oil volume certified RSPO segregated or equivalent standards was 8% RSPO certified segregated or higher and 80% RSPO certified mass balance. We consider RSPO certified volumes under segregated or higher chain of custody models to qualify as verified DCF volumes.

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**Forest risk commodity**
Cattle products

**Data type**
Consumption data

**Commodity production/ consumption volume**
34653901

**Metric for commodity production/ consumption volume**
Other, please specify (kilograms)

**Data coverage**
Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**
Yes

**% of reported volume verified as deforestation- and/or conversion-free**
91

**Please explain**
Data provided is for fresh and frozen beef products sourced for Walmart Chile private and national brands from the priority regions in our Forests Policy. However, there is additional volume of beef soured from areas outside of the priority regions not in scope in this report. This also pertains to F1.5b below.

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## F1.5b

**(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.**

**Timber products – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**
0

**% of DCF production/consumption volume verified through monitoring systems**
0

**% of DCF production/consumption volume physically certified**
100

**% of non-DCF production/consumption volume from unknown origin**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**
<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**
<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**
100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**
<Not Applicable>

**Timber products – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**
<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**
<Not Applicable>

**% of DCF production/consumption volume physically certified**
<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**
16

**% of non-DCF production/consumption volume traceable only as far as country level**
84

**% of non-DCF production/consumption volume traceable only as far as sub-national area**
0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**
0

**% of non-DCF production/consumption volume traceable to production unit level**
0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**
<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**
100

**Palm oil – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**
0

**% of DCF production/consumption volume verified through monitoring systems**
0

**% of DCF production/consumption volume physically certified**
100

**% of non-DCF production/consumption volume from unknown origin**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**
<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**
<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**
100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**
<Not Applicable>

**Palm oil – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**
<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**
<Not Applicable>

**% of DCF production/consumption volume physically certified**
<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**
13

**% of non-DCF production/consumption volume traceable only as far as country level**
87

**% of non-DCF production/consumption volume traceable only as far as sub-national area**
0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**
0

**% of non-DCF production/consumption volume traceable to production unit level**
0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**
<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**
100

**Cattle – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**
0

**% of DCF production/consumption volume verified through monitoring systems**
100

**% of DCF production/consumption volume physically certified**
0

**% of non-DCF production/consumption volume from unknown origin**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**
<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**
<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**
<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**
100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**
<Not Applicable>

**Cattle – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**
<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**
<Not Applicable>

**% of DCF production/consumption volume physically certified**
<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**
12

**% of non-DCF production/consumption volume traceable only as far as country level**
0

**% of non-DCF production/consumption volume traceable only as far as sub-national area**
0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**
88

**% of non-DCF production/consumption volume traceable to production unit level**
0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**
<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**
100

## F1.5c

**(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**
Timber products

**Country/Area of origin**
Mexico

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey.

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**Forest risk commodity**
Timber products

**Country/Area of origin**
Thailand

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey.

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**Forest risk commodity**
Timber products

**Country/Area of origin**
Viet Nam

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey.

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**Forest risk commodity**
Timber products

**Country/Area of origin**
Indonesia

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey.

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**Forest risk commodity**
Timber products

**Country/Area of origin**
Any other countries/areas

**State or equivalent jurisdiction**
<Not Applicable>

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey.

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**Forest risk commodity**
Cattle products

**Country/Area of origin**
Brazil

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Amazon Cerrado)

**% of total production/consumption volume**
54

**Please explain**
This is only for private and national brand Chile market fresh and frozen beef.

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**Forest risk commodity**
Cattle products

**Country/Area of origin**
Paraguay

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Gran Chaco; Don't know)

**% of total production/consumption volume**
22

**Please explain**
This is only for private and national brand Chile market fresh and frozen beef.

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**Forest risk commodity**
Cattle products

**Country/Area of origin**
Argentina

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Gran Chaco; Don't know)

**% of total production/consumption volume**
22

**Please explain**
This is only for private and national brand Chile market fresh and frozen beef.

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**Forest risk commodity**
Cattle products

**Country/Area of origin**
Colombia

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**
1

**Please explain**
This is only for private and national brand Chile market fresh and frozen beef.

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Brazil

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey.

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Cambodia

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Colombia

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Cienaga)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Guatemala

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Coatepeque Guatemala Tiquisate)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Ecuador

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Manabi)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Honduras

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (El Negrito Tela )

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
India

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (District Kutch Gujarat; Nagpur)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Indonesia

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Jawa Barat MEDANSUMATERA UTARA North Sumatra Riau Sumatera Utara, Jambi, Kalimantan Barat Sumatera SUMATERA UTARA)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Malaysia

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (42920 Port Klang 81750 Masai Darul Takzim hulu langat Johor Johor Bahru JOHOR DARUL TAKZIM Jurong Island Peninsular Rawang Sabah Sarawak Selangor Tanjung Gelang, 26080 Kuntan Telonk panglima garang)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Mexico

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (MERIDA; MICHOACAN)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

---

**Forest risk commodity**
Palm oil

**Country/Area of origin**
Peru

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (San Martin; Uchiza)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

**Forest risk commodity**
Palm oil

**Country/Area of origin**
Papua New Guinea

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

---

**Forest risk commodity**
Palm oil

**Country/Area of origin**
Philippines

**State or equivalent jurisdiction**
Don't know

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

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**Forest risk commodity**
Palm oil

**Country/Area of origin**
Thailand

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Muang)

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

---

**Forest risk commodity**
Palm oil

**Country/Area of origin**
Any other countries/areas

**State or equivalent jurisdiction**
<Not Applicable>

**% of total production/consumption volume**

**Please explain**
Suppliers do not report volume at the country or province level within our Forests Survey

---

**Forest risk commodity**
Cattle products

**Country/Area of origin**
Any other countries/areas

**State or equivalent jurisdiction**
<Not Applicable>

**% of total production/consumption volume**
1

**Please explain**
This is only for private and national brand Chile market fresh and frozen beef.

---

## F1.5e

**(F1.5e) Why is production and/or consumption data not available for your disclosed commodity(ies)?**

| | Primary reason | Please explain |
|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | <Not Applicable> | <Not Applicable> |
| Soy | Other, please specify | For soy volumes originating outside of priority regions of South America (Amazon, Cerrado and Chaco), we have been working closely with SafeTace, a Brazilian geomonitoring company, to map and monitor soy volumes in our value chain for DCF criteria. Outside of these areas, we rely on multiple methods to inform how to manage this - including global trade data, deeper mapping in prioritized areas, supplier reporting. |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F1.5f

**(F1.5f) How does your organization produce or consume biofuel derived from palm oil?**

**Does your organization produce or consume biofuel derived from palm oil?**
No

**Data type**
<Not Applicable>

**Volume produced/consumed**
<Not Applicable>

**Metric**
<Not Applicable>

**Country/Area of origin**
<Not Applicable>

**State or equivalent jurisdiction**
<Not Applicable>

**% of total production/consumption volume**
<Not Applicable>

**Does the source of your organization's biofuel material come from smallholders?**
<Not Applicable>

**Comment**
Given our large size and global scale, Walmart purchases a wide mix of biofuels for our operations. We do not specifically purchase palm oil derived biofuels, but given our limited visibility into the biodiesel supply chains it is not possible for us to say with certainty that palm-oil derived biofuels have been part of a biodiesel blend that we have consumed.

## F1.6

**(F1.6) Has your organization experienced any detrimental forests-related impacts?**
Yes

## F1.6a

**(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

**Forest risk commodity**
Soy

**Impact driver type**
Reputational and markets

**Primary impact driver**
Other reputational and market driver, please specify (limited coverage of DCF traceability, monitoring, and verification across priority regions (Cerrado and Chaco))

**Primary impact**
Other, please specify (gaps in supplier implementation that limit our ability to credibly measure DCF sourcing)

**Description of impact**
There are many potential forest-related impacts associated with soy, but the primary impact we experience as a retailer is the relatively limited coverage of supply chain traceability, monitoring, and verification of DCF sourcing by upstream actors in priority regions, including the Cerrado and Chaco. These gaps, primarily in the upstream stages of the value chain, create challenges for us and many other downstream companies to effectively measure progress towards DCF goals and meet stakeholder expectations. The lack of upstream implementation also potentially exposes downstream actors to additional social and environmental risks that are often associated with ineffectively monitored supply chains, such as farms encroaching on conservation units and indigenous territories.

**Primary response**
Engagement in multi-stakeholder initiatives

**Total financial impact**

**Description of response**
We have a wide range of different responses and strategies to help address forest-related impacts for soy but given the industry-wide challenges associated with upstream implementation of DCF traceability, monitoring and verification, our primary response is engagement in multi-stakeholder initiatives. For example, we are part of the Consumer Goods Forum Forest Positive Coalition and actively participate in the Soy Working Group to support engagement with soy traders and trader platforms like the WBCSD Soft Commodities Forum. Through our work in the CGF-FPC, we have also helped support collective action that has contributed to the development of forest-positive roadmaps for soy, draft methodologies for DCF soy, as well as aligned approaches to conservation, restoration, and more sustainable management of soy production landscapes via our role in the CGF-FPC Landscapes Working Group.

---

**Forest risk commodity**
Timber products

**Impact driver type**
Reputational and markets

**Primary impact driver**
Availability of certified sustainable material

**Primary impact**
Other, please specify (limited options to credibly deliver on our DCF commitment for pulp, paper and timber)

**Description of impact**
There are many potential forest-related impacts associated with timber products, but the primary impact we experience as a retailer is the relatively limited availability of certification standards that our suppliers can use to verify that pulp, paper, and timber products are DCF. In addition, there are not yet widely accepted methodologies for how to bridge the DCF implementation gaps in existing certifications with credible verification processes, at scale. These issues can impact our ability to achieve our public DCF goals and to meet stakeholder expectations.

**Primary response**
Engagement in multi-stakeholder initiatives

**Total financial impact**

**Description of response**
We have a wide range of different responses and strategies to help address forest-related impacts for timber products but given the industry-wide challenges associated with the gaps in credible DCF certification standards, our primary response is engagement in multi-stakeholder initiatives. For example, we are part of the Consumer Goods Forum Forest Positive Coalition and actively participate in the Pulp Paper and Packaging (PPP) Working Group to support engagement with certification standards, including FSC, PEFC and SFI. Through our work in the CGF-FPC, we have also helped support collective action that has contributed to the development of forest-positive roadmaps for PPP, draft DCF methodologies for DCF, as well as aligned approaches to conservation, restoration, and more sustainable management of timber production landscapes via our role in the CGF-FPC Landscapes Working Group.

---

**Forest risk commodity**
Cattle products

**Impact driver type**
Reputational and markets

**Primary impact driver**
Other reputational and market driver, please specify (limited coverage of DCF traceability, monitoring, and verification )

**Primary impact**
Other, please specify (gaps in supplier implementation that limit our ability to credibly measure DCF sourcing)

**Description of impact**
There are many potential forest-related impacts associated with cattle products, but the primary impact we experience as a retailer is the relatively limited coverage of supply chain traceability, monitoring, and verification of DCF sourcing by upstream actors in priority regions. While there has been relatively good progress with DCF implementation in upstream segments of the value chain for direct supplying properties (e.g. fattening farms) in the Brazilian Amazon, there are still significant gaps on the coverage of indirect supplying properties (e.g. cow/calf farms) in the Amazon as well as both direct and indirect properties in the Cerrado and Chaco biomes. These gaps in DCF implementation, primarily in the upstream stages of the value chain, create challenges for us and many other downstream companies to effectively measure progress towards DCF goals and meet stakeholder expectations. The lack of upstream implementation also potentially exposes downstream actors to additional social and environmental risks that are often associated with ineffectively monitored supply chains, such as farms encroaching on conservation units and indigenous territories.

**Primary response**
Engagement in multi-stakeholder initiatives

**Total financial impact**

**Description of response**
We have a wide range of different responses and strategies to help address forest-related impacts for cattle products but given the industry-wide challenges associated with upstream implementation of DCF traceability, monitoring and verification, our primary response is engagement in multi-stakeholder initiatives. For example, we are part of the Consumer Goods Forum Forest Positive Coalition and actively participate in the Beef Working Group to support engagement with meatpackers, NGOs, and other key stakeholders. Through our work in the CGF-FPC, we have also helped support collective action that has contributed to the development of forest-positive roadmaps for beef, draft methodologies for DCF beef, as well as aligned approaches to conservation, restoration, and more sustainable management of cattle production landscapes via our role in the CGF-FPC Landscapes Working Group.

---

**Forest risk commodity**

Palm oil

**Impact driver type**
Reputational and markets

**Primary impact driver**
Availability of certified sustainable material

**Primary impact**
Other, please specify (limited options to credibly deliver on our DCF commitment for palm oil)

**Description of impact**
There are many potential forest-related impacts associated with palm oil products, but the primary impact we experience as a retailer is the relatively limited availability of certification standards and accompanying chain of custody models that our suppliers can use to demonstrate that they are sourcing DCF of palm oil. The primary certification standard available today is RSPO, however, the majority of RSPO certified material is available via mass balance chain of custody models, which prevents traceability. RSPO does offer segregated and identity preserved chain of custody models, but those volumes are much more limited and can be very challenging to implement, given the complexity of palm oil supply chains. Unfortunately, there is not yet an option under the mass balance chain of custody model that would provide embedded DCF controls on uncertified product. In addition, there is not yet widely accepted methodologies for how to bridge the DCF implementation gaps in RSPO with credible verification processes, at scale. These issues can impact our ability to achieve our public DCF goals and to meet stakeholder expectations.

**Primary response**
Engagement in multi-stakeholder initiatives

**Total financial impact**

**Description of response**
We have a wide range of different responses and strategies to help address forest-related impacts for palm oil products, but given the industry-wide challenges associated with the DCF gaps that have persisted in existing certification standards, our primary response is engagement in multi-stakeholder initiatives. For example, we are part of the Consumer Goods Forum Forest Positive Coalition and actively participate in the Palm Oil Working Group. Through our work in the CGF-FPC, we have also helped support collective action that has contributed to the development of forest-positive roadmaps for palm oil, draft DCF methodologies, as well as aligned approaches to conservation, restoration, and more sustainable management of timber production landscapes via our role in the CGF-FPC Landscapes Working Group.

## F1.7

**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**
Timber products

**Have you monitored or estimated your deforestation/conversion footprint?**
Yes, we monitor deforestation/conversion footprint in our supply chain

**Coverage**
Partial consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**
Other, please specify (Other - based on the cut-off dates used by FSC for certified volumes)

**Known or estimated deforestation/ conversion footprint (hectares)**

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**
We have used our supplier survey to monitor footprint and relevant certifications.

---

**Forest risk commodity**
Palm oil

**Have you monitored or estimated your deforestation/conversion footprint?**
No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**
<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**
<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**
<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**
<Not Applicable>

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**Forest risk commodity**
Cattle products

**Have you monitored or estimated your deforestation/conversion footprint?**
Yes, we monitor deforestation/conversion footprint in our supply chain

**Coverage**
Partial consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**
Other, please specify (For beef in the Amazon, we have been using a reference date of 2009 to assess deforestation. For beef in the Cerrado, we have been using a reference date of 2020. )

**Known or estimated deforestation/ conversion footprint (hectares)**

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**
We have used the Beef on Track protocol for the Amazon. We have used the draft Proforest protocol for the Cerrado

---

**Forest risk commodity**
Soy

**Have you monitored or estimated your deforestation/conversion footprint?**
Yes, we monitor deforestation/conversion footprint in our supply chain

**Coverage**
Partial consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**
Other, please specify (For soy in the Amazon, we have been using a reference date of 2008 to assess deforestation. For soy in the Cerrado, we have been using a reference date of 2020 to assess conversion. )

**Known or estimated deforestation/ conversion footprint (hectares)**

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**
We have followed the Amazon Soy Moratorium guidance for the Amazon.

---

## F2. Procedures

## F2.1

**(F2.1) Does your organization undertake a forests-related risk assessment?**
Yes, forests-related risks are assessed

## F2.1a

**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Timber products**

**Value chain stage**
Supply chain

**Coverage**
Partial

**Risk assessment procedure**
Assessed as a standalone issue

**Frequency of assessment**
Every three years or more

**How far into the future are risks considered?**
> 6 years

**Tools and methods used**
Internal company methods
External consultants

**Issues considered**
Availability of forest risk commodities
Other, please specify (DCF non-compliance)

**Stakeholders considered**
Investors
NGOs
Suppliers

**Please explain**
We assess potential forest-related risks associated with timber products in a variety of ways. For example, in 2019 we worked with an external consultant to assess our exposure to deforestation risks in our supply chains associated with key commodities, including pulp and paper. The assessment helped inform our Forest Policy update in 2020 as well as our strategy to source deforestation-free and conversion-free (DCF) pulp, paper and timber products. In 2020, we worked with Conservation International (CI) to assess nature-related risks and opportunities across key commodities and geographies, which helped inform our nature goal and strategy to advance conservation, restoration and sustainable management. The CI work covered all of our priority forest-risk commodities, including pulp, paper and timber, as well as other agricultural and seafood products. In addition, we worked with Proforest to assess the gaps and risks associated with select certification programs for pulp, paper and timber to deliver on DCF goals.

**Palm oil**

**Value chain stage**
Supply chain

**Coverage**
Partial

**Risk assessment procedure**
Assessed as a standalone issue

**Frequency of assessment**
Every three years or more

**How far into the future are risks considered?**
> 6 years

**Tools and methods used**
Internal company methods
External consultants
National specific tools and databases

**Issues considered**
Availability of forest risk commodities
Impact of activity on the status of ecosystems and habitats
Social impacts

**Stakeholders considered**
Investors
NGOs
Suppliers

**Please explain**
We assess potential forest-related risks associated with palm oil in a variety of ways. For example, in 2019 we worked with an external consultant to assess our exposure to deforestation risks in our supply chains associated with key commodities, including palm oil. The assessment helped inform our Forest Policy update in 2020 as well as our strategy to source deforestation-free and conversion-free (DCF) palm oil. In 2020, we worked with Conservation International (CI) to assess nature-related risks and opportunities across key commodities and geographies, which helped inform our nature goal and strategy to advance conservation, restoration and sustainable management. The CI work covered all of our priority forest-risk commodities, including palm oil, as well as other agricultural and seafood products. We have also reviewed tree cover gain and loss data from Global Forest Watch to better understand potential risks in Indonesia.

**Cattle products**

**Value chain stage**
Supply chain

**Coverage**
Partial

**Risk assessment procedure**
Assessed as a standalone issue

**Frequency of assessment**
Every three years or more

**How far into the future are risks considered?**
> 6 years

**Tools and methods used**
Internal company methods
External consultants
Beef on Track
National specific tools and databases

**Issues considered**
Availability of forest risk commodities
Impact of activity on the status of ecosystems and habitats
Social impacts

**Stakeholders considered**
Investors
NGOs
Suppliers

**Please explain**
We assess potential forest-related risks associated with cattle products in a variety of ways. For example, in 2019 we worked with an external consultant to assess our exposure to deforestation risks in our supply chains associated with key commodities, including beef. The assessment helped inform our Forest Policy update in 2020 as well as our strategy to source deforestation-free and conversion-free (DCF) beef for private and national brand products. In 2020, we worked with Conservation International (CI) to assess nature-related risks and opportunities across key commodities and geographies, which helped inform our nature goal and strategy to advance conservation, restoration and sustainable management. The CI work covered all of our priority forest-risk commodities, including beef, as well as other agricultural and seafood products. In addition, we have been working with SafeTrace, a Brazilian geo-monitoring company, to assess our suppliers' application of the Beef on Track protocol for sourcing from the Brazilian Amazon, which helps inform risk profiles for certain slaughterhouses and regions. We have also reviewed official deforestation data from the Brazilian government, including PRODES, to better understand regional deforestation risk patterns in the Amazon and Cerrado.

**Soy**

**Value chain stage**
Supply chain

**Coverage**
Partial

**Risk assessment procedure**
Assessed as a standalone issue

**Frequency of assessment**
Every three years or more

**How far into the future are risks considered?**
> 6 years

**Tools and methods used**
Internal company methods
External consultants
National specific tools and databases

**Issues considered**
Availability of forest risk commodities
Impact of activity on the status of ecosystems and habitats
Social impacts

**Stakeholders considered**
Investors
NGOs
Suppliers

**Please explain**
We assess potential forest-related risks associated with soy in a variety of ways. For example, in 2019 we worked with an external consultant to assess our exposure to deforestation risks in our supply chains associated with key commodities, including soy. The assessment helped inform our Forest Policy update in 2020 as well as our strategy to source deforestation-free and conversion-free (DCF) soy. In 2020, we worked with Conservation International (CI) to assess nature-related risks and opportunities across key commodities and geographies, which helped inform our nature goal and strategy to advance conservation, restoration and sustainable management. The CI work covered all of our priority forest-risk commodities, including soy, as well as other agricultural and seafood products. We have also reviewed official deforestation data from the Brazilian government, including PRODES, to better understand regional deforestation risk patterns in the Amazon and Cerrado.

## F2.2

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

| | Value chain mapping | Primary reason for not mapping your value chain | Explain why your organization does not map its value chain and outline any plans to introduce it |
|---|---|---|---|
| Timber products | Yes, we have partially mapped the value chain | <Not Applicable> | <Not Applicable> |
| Palm oil | Yes, we have partially mapped the value chain | <Not Applicable> | <Not Applicable> |
| Cattle products | Yes, we have partially mapped the value chain | <Not Applicable> | <Not Applicable> |
| Soy | Yes, we have partially mapped the value chain | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

**Forest risk commodity**
Cattle products

**Scope of value chain mapping**
Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**
100

**Description of mapping process and coverage**
We have detailed information on all of our Tier 1 suppliers for private and national brand products for Walmart Chile. For fresh/frozen beef originating from priority areas (Amazon, Cerrado and Chaco) we have partially mapped our sourcing back to facilities within these priority regions for Walmart Chile.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

---

**Forest risk commodity**
Soy

**Scope of value chain mapping**
Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**
100

**Description of mapping process and coverage**
We have detailed information on all of our Tier 1 suppliers for soy oil products for Walmart Mexico and Walmart CAM.. For soy originating from priority areas (Amazon, Cerrado and Chaco) we have partially mapped our sourcing back to specific soy traders for Walmart Mexico and Central America.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

---

**Forest risk commodity**
Palm oil

**Scope of value chain mapping**
Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**
100

**Description of mapping process and coverage**
This includes all of our Tier 1 suppliers for Walmart U.S. private brand products that use Palm Oil as an embedded ingredient.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

---

**Forest risk commodity**
Timber products

**Scope of value chain mapping**
Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**
100

**Description of mapping process and coverage**
We have detailed information on all of our Tier 1 suppliers.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

---

## F2.3

**(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?**

| | Use of a classification system to determine deforestation and/or conversion risk of sourcing areas | Methodology used for classifying levels of risk | Use of risk classification | Attachment indicating risk classification for each sourcing area (optional) |
|---|---|---|---|---|
| 1 | Yes, we use a classification system | In 2019, we worked with an external consultant to assess risk exposure across beef, soy, palm oil and pulp and paper products, which helped inform our 2020 Forests Policy updates. The assessment included supply chain information from Walmart, consultations with leading NGOs, reviews of multi-stakeholder guidance materials, including TFA, CGF, and AFi, as well as supplemental research with industry peers and sustainability leaders to address deforestation. In 2020, we worked with Conservation International to assess risks and opportunities associated with key production geographies and priority commodities. This assessment covered beef, soy, palm oil and pulp, paper and timber as well as other agricultural and seafood commodities. The classification of strategic commodities to prioritize was based on commodities with high sales, those serving ingredients in a large number of products, and having significant impacts on nature given their production overlaps with priority conservation areas. The CI assessment also included mapping of geographic risks that covered natural capital loss, irrecoverable carbon, and land degradation, with tiered geographic and regional classifications by commodity. | Based on the risk analysis provided by an external consultant, we made substantial updates to our Forests Policy in 2020, which resulted in classification of priority regions for beef and soy, based on deforestation exposure, and which also outlines high risk countries for pulp, paper and timber, where we prioritize FSC certification. Based on the assessment from Conservation International (CI), we published an ambitious nature goal to help protect, more sustainably manage, or restore at least 50 million acres of land and 1 million square miles of ocean by 2030. The CI work also helped inform our strategy on landscape and jurisdictional approaches, which seeks to help advance social, economic and environmental resilience across priority regions. | |

## F3. Risks and opportunities

### F3.1

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

| | Risk identified? |
|---|---|
| Timber products | Yes |
| Palm oil | Yes |
| Cattle products | Yes |
| Soy | Yes |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

### F3.1a

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

Substantive financial or strategic impact means an impact that is relevant enough to influence Walmart's strategic direction, investment decisions, or operating practices. For example, nature-related risks and opportunities have shaped Walmart's resilient sourcing strategies and focus on fostering more sustainable production of commodities, transitioning our operations towards more regenerative practices and encouraging the development of place-based (landscape-level) initiatives.

### F3.1b

**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Forest risk commodity**
Soy

**Type of risk**
Reputational and markets

**Geographical scale**
Country

**Where in your value chain does the risk driver occur?**
Supply chain

**Primary risk driver**
Increased stakeholder concern or negative stakeholder feedback

**Primary potential impact**
Brand damage

**Company-specific description**
In 2019, we worked with an external consultant to conduct a risk assessment related to soy and other forest-risk commodities, which helped inform our approach to our Forests Policy and our strategy to source DCF commodities. We also worked with Conservation International in 2020 to assess risks and opportunities across many

commodities and geographies, which helped inform our nature goal and our approach to conservation. As noted in these assessments and subsequent internal analyses, there are many potential risks that could have a strategic impact on our business. Similar to the detrimental impacts outlined in F1.6a, our primary forest-related risks associated with soy focus on reputational and market risks. The main driver of these risks is the relatively limited coverage of DCF traceability monitoring, and verification in upstream segments of the value chain. The DCF implementation gaps are a result of a variety of factors, including limited availability of certified material with sufficient chain of custody models to deliver DCF products, the lack of moratoria and sector-wide solutions (outside the Amazon), and low levels of ambition in soy trader coalition roadmaps. The primary impacts of these risks are the challenges they create for downstream companies to identify product origins, map embedded commodities, and drive credible implementation of DCF sourcing practices. This has an impact on our ability to meet our public goals, which poses potential risks.

**Timeframe**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact (currency)**
<Not Applicable>

**Potential financial impact figure - minimum (currency)**
<Not Applicable>

**Potential financial impact figure - maximum (currency)**
<Not Applicable>

**Explanation of financial impact**
We have not yet quantified the potential financial impacts associated with these risks.

**Primary response to risk**
Engagement in multi-stakeholder initiatives

**Description of response**
To help address these strategic risks, we have engaged in the Consumer Goods Forum Forest Positive Coalition Soy WG to help advance collective action throughout the value chain. We have also engaged in bilateral meetings with key suppliers to help advance credible and effective DCF sourcing. For example, following the announcement of the TFA trader roadmap, which was widely seen as falling short of expectations on soy, we conducted a series of high-level meetings with major traders to develop a shared understanding of the challenges and opportunities and to work towards a more ambitious implementation plan that would more closely align with our DCF goals for soy.

**Cost of response**
35000

**Explanation of cost of response**
One of the actions we take to respond to this risk is joining a multi-stakeholder coalition like the Consumer Goods Forum - Positive Forest Coalition. We have included the cost of membership into the calculation.

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**Forest risk commodity**
Timber products

**Type of risk**
Reputational and markets

**Geographical scale**
Country

**Where in your value chain does the risk driver occur?**
Supply chain

**Primary risk driver**
Increased stakeholder concern or negative stakeholder feedback

**Primary potential impact**
Brand damage

**Company-specific description**
In 2019, we worked with an external consultant to conduct a risk assessment related to timber products and other forest-risk commodities, which helped inform the approach to our Forests Policy and our strategy to source DCF commodities. We also worked with Conservation International in 2020 to assess risks and opportunities across many commodities and geographies, which helped inform our nature goal and our approach to conservation, restoration and sustainable management. As noted in these assessments and subsequent internal analyses, there are many potential risks that could have a strategic impact on our business. Similar to the detrimental impacts outlined in F1.6a, our primary forest-related risks associated with timber products focus on reputational and market risks. The main driver of these risks is the relatively limited availability of certified material that can credibly be counted toward DCF sourcing goals. FSC is widely considered to deliver DCF sourcing, however, there is still uncertainty about the degree to which other certification standards can deliver on DCF criteria and how verification mechanisms may be used to address gaps in these certifications, at scale. The primary impacts of these risks are the challenges they create for downstream companies to identify product origins, map embedded commodities, and drive credible implementation of DCF sourcing practices. This has an impact on our ability to meet our public goals, which poses potential risks.

**Timeframe**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact (currency)**
<Not Applicable>

**Potential financial impact figure - minimum (currency)**
<Not Applicable>

**Potential financial impact figure - maximum (currency)**
<Not Applicable>

**Explanation of financial impact**
One of the actions we take to respond to this risk is joining a multi-stakeholder coalition like the Consumer Goods Forum - Positive Forest Coalition. We have included the cost of membership into the calculation.

**Primary response to risk**
Engagement in multi-stakeholder initiatives

**Description of response**
To help address these strategic risks, we have engaged in the Consumer Goods Forum Forest Positive Coalition Pulp, Paper and Packaging (PPP) WG to help advance collective action throughout the value chain. We have also engaged in bilateral meetings with key suppliers to help advance credible and effective DCF sourcing.

**Cost of response**
35000

**Explanation of cost of response**
One of the actions we take to respond to this risk is joining a multi-stakeholder coalition like the Consumer Goods Forum - Positive Forest Coalition. We have included the cost of membership into the calculation.

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**Forest risk commodity**
Palm oil

**Type of risk**
Reputational and markets

**Geographical scale**
Country

**Where in your value chain does the risk driver occur?**
Supply chain

**Primary risk driver**
Increased stakeholder concern or negative stakeholder feedback

**Primary potential impact**
Brand damage

**Company-specific description**
In 2019, we worked with an external consultant to conduct a risk assessment related to palm oil and other forest-risk commodities and also worked with Conservation International in 2020 to assess risks and opportunities across many commodities and geographies. As noted in these assessments and subsequent internal analyses, there are many potential risks that could have a strategic impact on our business. Similar to the detrimental impacts outlined in F1.6a, our primary forest-related risks associated with palm oil focus on reputational and market risks. The main driver of these risks is the relatively limited availability of certified material that can credibly be counted toward DCF sourcing goals. The primary certification standard available today is RSPO, however, the majority of RSPO certified material is available via mass balance chain of custody models, which limits traceability. RSPO does offer segregated and identity preserved chain of custody models, but those volumes are more limited and can be challenging to implement. Unfortunately, there is not yet an option under the mass balance chain of custody model that would provide embedded DCF controls on uncertified product. Additionally, there is not yet widely accepted methodologies for how to bridge the DCF implementation gaps in RSPO with credible verification processes, at scale. These issues impact our ability to achieve our public DCF goals, which poses potential risks.

**Timeframe**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact (currency)**
<Not Applicable>

**Potential financial impact figure - minimum (currency)**
<Not Applicable>

**Potential financial impact figure - maximum (currency)**
<Not Applicable>

**Explanation of financial impact**
We have not yet quantified the potential financial impacts associated with these risks.

**Primary response to risk**
Engagement in multi-stakeholder initiatives

**Description of response**
To help address these strategic risks, we have engaged in the Consumer Goods Forum Forest Positive Coalition Palm Oil WG to help advance collective action throughout the value chain. We have also engaged in bilateral meetings with RSPO and key suppliers to help advance credible and effective DCF sourcing solutions.

**Cost of response**
35000

**Explanation of cost of response**
One of the actions we take to respond to this risk is joining a multi-stakeholder coalition like the Consumer Goods Forum - Positive Forest Coalition. We have included the cost of membership into the calculation.

---

**Forest risk commodity**
Cattle products

**Type of risk**
Reputational and markets

**Geographical scale**
Country

**Where in your value chain does the risk driver occur?**
Supply chain

**Primary risk driver**
Increased stakeholder concern or negative stakeholder feedback

**Primary potential impact**
Brand damage

**Company-specific description**
In 2019, we worked with an external consultant to conduct a risk assessment related to beef and other forest-risk commodities, which helped inform the approach to our Forests Policy and our strategy to source DCF commodities. We also worked with Conservation International in 2020 to assess risks and opportunities across many commodities and geographies, which helped inform our nature goal and our approach to conservation. As noted in these assessments and subsequent internal analyses, there are many potential risks that could have a strategic impact on our business. Similar to the detrimental impacts outlined in F1.6a, our primary forest-related risks associated with cattle products focuses on reputational and market risks. The main driver of these risks is the relatively limited coverage of supply chain traceability, monitoring, and verification of DCF sourcing by upstream actors in priority regions. There are still significant gaps on the coverage of indirect supplying properties in the Amazon as well as both direct and indirect properties in the Cerrado and Chaco biomes. These gaps in DCF implementation, primarily in the upstream stages of the value chain, create challenges for downstream companies to effectively measure progress towards DCF goals and to meet stakeholder expectations. This poses potential risks to our brand and reputation.

**Timeframe**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact (currency)**
<Not Applicable>

**Potential financial impact figure - minimum (currency)**
<Not Applicable>

**Potential financial impact figure - maximum (currency)**
<Not Applicable>

**Explanation of financial impact**
We have not yet quantified the potential financial impacts associated with these risks.

**Primary response to risk**
Engagement in multi-stakeholder initiatives

**Description of response**
To help address these strategic risks, we have engaged in the Consumer Goods Forum Forest Positive Coalition Beef WG to help advance collective action throughout the value chain. We have also engaged in bilateral meetings with meatpackers and other key stakeholders to help advance credible and effective DCF sourcing solutions.

**Cost of response**
35000

**Explanation of cost of response**
One of the actions we take to respond to this risk is joining a multi-stakeholder coalition like the Consumer Goods Forum - Positive Forest Coalition. We have included the cost of membership into the calculation.

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## F3.2

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

| | Have you identified opportunities? |
|---|---|
| Timber products | Yes |
| Palm oil | Yes |
| Cattle products | Yes |
| Soy | Yes |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

## F3.2a

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

**Forest risk commodity**
Timber products

**Type of opportunity**
Products & services

**Where in your value chain does the opportunity occur?**
Supply chain

**Primary forests-related opportunity**
Increased security of production

**Company-specific description**
There are many potential opportunities that could have strategic impacts on our business, however, the primary forest-related opportunity that we have identified for timber products focuses on increased security of production. From a strategic business perspective, this particular opportunity has the potential to deliver benefits associated with surety of supply and overall supply chain resilience. With forestry production systems being highly vulnerable to climate change and disturbances to nature and ecosystem services, increasing security of production is a key business opportunity that we are focused on.

**Estimated timeframe for realization**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
N/A - We have not yet quantified the potential costs associated with realizing these opportunities.

**Cost to realize opportunity**

**Strategy to realize opportunity**
We are deploying a variety of strategies to help realize the potential opportunities associated with increased security of production for timber products. We set an ambitious goal for pulp, paper and timber products that asks our suppliers to source deforestation and conversion free (DCF) material. We have encouraged suppliers to source products that are certified under recognized sustainability standards, including FCS, PEFC and SFI. We are active members of the Consumer Goods Forum Forests Positive Coalition (CGF-FPC), where we seek to help advance collective action on DCF sourcing, traceability, and transparency. In addition, we are part of the Landscapes Working Group of the CGF-FPC, which is helping to advance conservation, restoration, and sustainable management of key landscapes and jurisdictions. Together, these efforts are helping to advance actions and outcomes that contribute to increased security of production.

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**Forest risk commodity**
Cattle products

**Type of opportunity**
Products & services

**Where in your value chain does the opportunity occur?**
Supply chain

**Primary forests-related opportunity**
Increased security of production

**Company-specific description**
There are many potential opportunities that could have strategic impacts on our business, however, the primary forest-related opportunity that we have identified for cattle products focuses on increased security of production. From a strategic business perspective, this particular opportunity has the potential to deliver benefits associated with surety of supply and overall supply chain resilience. With cattle production systems being highly vulnerable to climate change and disturbances to nature and ecosystem services, increasing security of production is a key business opportunity that we are focused on.

**Estimated timeframe for realization**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
N/A - We have not yet quantified the potential costs associated with realizing these opportunities.

**Cost to realize opportunity**

**Strategy to realize opportunity**
We are deploying a variety of strategies to help realize the potential opportunities associated with increased security of production for cattle products. We set an ambitious goal that asks our national and private brand suppliers to source deforestation and conversion free (DCF) beef from priority regions in South America. We are active members of the Consumer Goods Forum Forests Positive Coalition (CGF-FPC), where we seek to help advance collective action on DCF sourcing, traceability, and transparency. In addition, we are part of the Landscapes Working Group of the CGF-FPC, which is helping to advance conservation, restoration, and sustainable management of key landscapes and jurisdictions. Together, these efforts are helping to advance actions and outcomes that contribute to increased security of production.

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**Forest risk commodity**
Soy

**Type of opportunity**
Products & services

**Where in your value chain does the opportunity occur?**
Supply chain

**Primary forests-related opportunity**
Increased security of production

**Company-specific description**
There are many potential opportunities that could have strategic impacts on our business, however, the primary forest-related opportunity that we have identified for soy products focuses on increased security of production. From a strategic business perspective, this particular opportunity has the potential to deliver benefits associated with surety of supply and overall supply chain resilience. With soy production systems being highly vulnerable to climate change and disturbances to nature and ecosystem services, increasing security of production is a key business opportunity that we are focused on.

**Estimated timeframe for realization**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
N/A - We have not yet quantified the potential costs associated with realizing these opportunities.

**Cost to realize opportunity**

**Strategy to realize opportunity**
We are active members of the Consumer Goods Forum Forests Positive Coalition (CGF-FPC), where we seek to help advance collective action on DCF sourcing, traceability, and transparency. In addition, we are part of the Landscapes Working Group of the CGF-FPC, which is helping to advance conservation, restoration, and more sustainable management of key landscapes and jurisdictions. Together, these efforts are helping to advance actions and outcomes that contribute to increased security of production.

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**Forest risk commodity**
Palm oil

**Type of opportunity**
Products & services

**Where in your value chain does the opportunity occur?**
Supply chain

**Primary forests-related opportunity**
Increased security of production

**Company-specific description**
There are many potential opportunities that could have strategic impacts on our business, however, the primary forest-related opportunity that we have identified for palm oil focuses on increased security of production. From a strategic business perspective, this particular opportunity has the potential to deliver benefits associated with surety of supply and overall supply chain resilience. With palm oil production systems being highly vulnerable to climate change and disturbances to nature and ecosystem services, increasing security of production is a key business opportunity that we are focused on.

**Estimated timeframe for realization**
>6 years

**Magnitude of potential impact**
Low

**Likelihood**
About as likely as not

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
N/A - We have not yet quantified the potential costs associated with realizing these opportunities.

**Cost to realize opportunity**

**Strategy to realize opportunity**
We set an ambitious goal for palm oil that asks our suppliers to source deforestation and conversion free (DCF) material. As part of our DCF goal, we ask suppliers to source certified more sustainable palm oil, in accordance with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) segregated supply chain systems, or equivalent standards. We are active members of the Consumer Goods Forum Forests Positive Coalition (CGF-FPC), where we seek to help advance collective action on DCF sourcing, traceability, and transparency. In addition, we are part of the Landscapes Working Group of the CGF-FPC, which is helping to advance conservation, restoration, and more sustainable management of key landscapes and jurisdictions. Together, these efforts are helping to advance actions and outcomes that contribute to increased security of production.

## F4. Governance

### F4.1

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**
Yes

### F4.1a

**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

| Position of individual or committee | Responsibilities for forest-related issues |
|---|---|
| Board-level committee | Per its Charter, Walmart's Nominating and Governance Committee (NGC) of the Board of Directors has the authority and responsibility to "review and advise management regarding the Company's social, community and sustainability initiatives, including those related to climate change." Forest-related issues fall within the company's implementation and management of sustainability initiatives. |

### F4.1b

**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

| | Frequency that forests-related issues are a scheduled agenda item | Governance mechanisms into which forests-related issues are integrated | Please explain |
|---|---|---|---|
| Row 1 | Scheduled - some meetings | Monitoring progress towards corporate targets<br>Reviewing and guiding corporate responsibility strategy<br>Reviewing and guiding public policy engagement<br>Reviewing and guiding strategy | Walmart's Chief Sustainability Officer (CSO) reports to our Executive Vice President, Corporate Affairs and provides updates on our ESG strategy and progress to the NGC and to our executive leadership team.<br>Last year, management discussed and provided updates to the NGC about a number of topics, including Walmart's shared value approach to ESG and its integration into our business strategies and Walmart's ESG priority issues. This included updates on our engagement with suppliers on conservation and our progress toward our commodity certification goals including for beef, soy, palm oil and timber. |

### F4.1d

**(F4.1d) Does your organization have at least one board member with competence on forests-related issues?**

**Row 1**

**Board member(s) have competence on forests-related issues**

Yes

**Criteria used to assess competence on forests-related issues**

Walmart considers knowledge, skills and experience gained through the following as relevant indicators of board member competence on climate-related issues: - Leadership of organizations facing significant nature opportunities and/or risk, where the role included oversight and/or direct management of nature-related issues - Board service or leadership roles at major NGOs focused on addressing nature issues - Education (post-secondary degrees, specialized training) - Board service for other companies facing nature-related opportunities and risks, where the role included oversight of nature-related policies, programs and strategies.

**Primary reason for no board-level competence on forests-related issues**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future**

<Not Applicable>

## F4.2

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

| Name of the position(s) and/or committee(s) | Forests-related responsibilities of this position | Frequency of reporting to the board on forests-related issues | Please explain |
|---|---|---|---|
| Chief Sustainability Officer (CSO) | Managing annual budgets relating to the implementation of forest-related policies and commitments<br>Integrating forests-related issues into business strategy<br>Setting forests-related corporate targets<br>Monitoring progress against forests-related corporate targets | Annually | Walmart's Chief Sustainability Officer (CSO) provides oversight of Walmart's ESG initiatives, which includes forest-related issues, strategies, goals and targets.In this capacity, the CSO engages the business units to identify the potential impacts to their areas of the business and to develop management strategies in response. The CSO position was selected because of their access to executive leadership and business unit leaders who are integrating forest-related issues into their strategies. The CSO also provides updates on Walmart's ESG agenda and progress to the NGC of the Board of Directors and to the Walmart executive leadership team. |

## F4.3

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

| | Provide incentives for management of forests-related issues | Comment |
|---|---|---|
| Row 1 | Yes | This includes our Executive Vice President and Chief Sustainability Officer, Walmart Inc.; President, Walmart Foundation. This position reports to the Executive Vice President, Corporate Affairs, Walmart Inc. |

## F4.3a

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**

| | Role(s) entitled to incentive? | Performance indicator | Contribution of incentives to the achievement of your organization's forests-related commitments | Please explain |
|---|---|---|---|---|
| Monetary reward | Chief Sustainability Officer (CSO) | Ending deforestation and/or conversion of other natural ecosystems<br>Increasing commodity volumes with credible third-party certification<br>Increasing traceability of commodity volumes<br>Increased engagement with suppliers on forests-related issues<br>Other, please specify (Achievements of commitments and targets; Supply chain mapping) | Walmart's Chief Sustainability Officer (CSO), who is a member of the Senior Leadership team at Walmart (https://corporate.walmart.com/about/leadership), is responsible for developing and driving the company's global responsibility agenda, which includes many time-bound targets and public commitments (including those related to sourcing commodities deforestation and/or conversion-free). Our CSO's performance evaluation and compensation depend in part on making progress on these goals and that of the company in delivering on this agenda each year. | Walmart has a goal to source 20 commodities more sustainably by 2025 including Timber, Cattle, Palm Oil and Soy.<br><br>Timber Goal: By 2025, Walmart's goal is that private brand products made of pulp, paper, and timber will be sourced deforestation and conversion-free.<br>Cattle Goals: North America - For Walmart U.S. and Sam's Club, more sustainably source fresh beef by improving grain sourcing and grazing management practices across a total of 12 million acres. South America - 100% of fresh beef sold by Walmart Inc. private and national brands sourced as deforestation and conversion-free by 2025 in accordance with our Forest Policy<br>Palm Oil Goal: 100% of palm oil in Walmart private brand products sourced with no deforestation or conversion by 2025<br>Soy Goal: By 2023, Walmart aims to only source soy that has been produced with no deforestation or conversion. In addition, Walmart supports the indefinite extension of the Soy Moratorium in Brazil's Amazon region and encourages suppliers to publicly endorse the agreement. Walmart also actively supports regional agreements regarding deforestation and conversion-free production in additional high-risk biomes. This includes multi-stakeholder and government engagement in critical higher-risk regions, such as the Amazon and the Cerrado to achieve deforestation and conversion-free production at the regional level with geospatial monitoring.<br>Progress towards achieving these goals is measured annually and reported in our ESG Briefs. |
| Non-monetary reward | Other, please specify (any position with forest related-goals) | Increasing commodity volumes with credible third-party certification | Any individual with forests-related goals is helping Walmart to achieve time bound goals of sourcing more sustainably 20 commodities by 2025 including Timber, Cattle, Palm Oil, and Soy. | Any other associate that has forest-related goals may be entitled to non-monetary awards including professional development opportunities (e.g. attending conferences) or being recognized by the Company with awards (e.g. the Sam M. Walton Entrepreneur of the Year Award). |

## F4.4

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

No, and we have no plans to do so

## F4.5

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy that is publicly available

## F4.5a

**(F4.5a) Select the options to describe the scope and content of your policy.**

**Row 1**

**Scope**
Company-wide

**Commodity coverage**
Cattle products
Palm oil
Soy
Timber products

**Content**
Commitment to eliminate conversion of natural ecosystems
Commitment to no land clearance by burning or clearcutting
Commitment to eliminate deforestation
Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)
Commitment to take action beyond own supply chain to tackle environmental issues
Commitment to resolving both social and environmental issues in own operations and supply chain
Commitments beyond regulatory compliance
Commitment to transparency
Commitment to stakeholder awareness and engagement
Recognition of the overall importance of forests and other natural ecosystems
Recognition of potential business impact on forests and other natural ecosystems

**Document attachment**
Forest Policy.pdf

**Please explain**
Walmart understands that our aspiration to deliver more sustainable products means leveraging our position as a trusted retailer and brand to secure important habitats and biodiversity. We believe we can deliver the greatest impact by creating a higher demand for products produced with no deforestation, supporting and enabling transparency, and investing in more sustainable sourcing regions.

In an effort to work collaboratively to stop forest loss with other retailers, manufacturers and NGOs, Walmart joined 19 of the world's largest manufacturers and retailers as a member of the Consumer Good Forum's Forest Positive Coalition. The companies, with collective market value of more than $ 1.8 trillion, are in a leading position to accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains. We participate in commodity working groups to engage in stakeholder consultations throughout the year to develop the commodity roadmaps.

Walmart is focused on key commodities that are responsible for global deforestation in tropical forests: palm oil, pulp and paper, timber, beef, and soy. For example, beef and soy production is driving more than two-thirds of the recorded habitat loss in Brazil's Amazon and Cerrado regions, and Argentina and Paraguay's Gran Chaco according to WWF. Although we are focused on these commodities, we recognize that additional production types also contribute to deforestation such as cocoa, coffee, rubber, and forest-based fabrics. We encourage our suppliers of these types of products to work to source products that do not contribute to deforestation and conversion, to encourage conservation solutions, and to increase the use of recycled content.

We also recognize the importance of embedding the following principles in sourcing policies, procedures, and practices across their supply chains: • Protect high conservation value (HCV) areas and high carbon stock (HCS) forests. • Involve no burning in the preparation of new plantings, re-plantings, or any other developments, including the management of existing plantations. • Avoid new developments on peatlands regardless of depth. • No illegal harvesting of any commodity, or in violation of basic human rights as defined by the country of operation. • Encourage agroforestry and forest management best practices.

## F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

| Forest risk commodity | Public commitments made |
|---|---|
| Timber products | Yes |
| Palm oil | Yes |
| Cattle products | Yes |
| Soy | Yes |

## F4.6a

**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**
New York Declaration on Forests
Tropical Forest Alliance
Cerrado Manifesto
Soy Moratorium
Other, please specify (CGF Forest Positive; Beef on Track Protocol)

## F4.6b

**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

**Forest risk commodity**
Timber products

**Criteria**
No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
No sourcing of illegally produced and/or traded forest risk commodities
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

**Operational coverage**
Supply chain

**% of total production/ consumption covered by commitment**
100%

**Cutoff date**
2020

**Forest risk countries/areas that the cutoff date applies to**
Applied globally

**Reason for selecting cutoff date**
Compliance with initiative, please specify (FSC Certification)

**Commitment target date**
2021-25

**Please explain**
Walmart set an initial goal in 2016, and updated it in 2020 with the Forests Policy update. As part of our Forests Policy, Walmart's goal is that private brand products made of pulp, paper, and timber will be sourced deforestation and conversion-free (DCF) by 2025. Walmart aims to implement more sustainable pulp, paper, and timber procurement practices that promote more sustainable management, conservation, protection and restoration of the world's forests.

The cut-off date included in F4.6b for timber products reflects the cut-off date used by FSC for natural forests and HCV areas. FSC certification is one of the primary approaches outlined in our Forests Policy for achieving DCF pulp, paper and timber, particularly for high-risk origins.

Walmart aims to implement more sustainable pulp, paper, and timber procurement practices that promote more sustainable management, conservation, protection and restoration of the world's forests. Suppliers supplying Walmart private brand products in departments most likely to contain pulp and paper were identified and encouraged to participate in Walmart's pulp and paper survey.

For all Walmart private brand products, we ask our global suppliers to:
Proactively conduct risk assessments to understand forest fiber and timber sources, species used, and transition supply away from higher risk sources to certified and/or recycled sources.
Source virgin fiber and timber only from sources certified to internationally recognized forest, fiber, and chain-of-custody certification standards. We expect suppliers to be able to track and report the origin of their fiber raw materials. As noted above, we recognize Forest Stewardship Council (FSC), Sustainable Forest Initiative (SFI), and Program for Forest Endorsement (PEFC) certification programs. We ask our global private brand suppliers to source virgin fiber and timber originating from high-priority countries (see footnote) in accordance with full FSC certification of forest management by the end of 2025, when it is available in quantities, performance characteristics and prices that meet our suppliers' needs.
Work to increase the use of recycled content where feasible. The use of recycled fiber has reached high levels in some paper grades, but there are still opportunities to increase recycled fiber usage where technical and quality specifications allow.
Maintain (and make available upon request to Walmart) records about the volume of pulp, paper, and timber products and certification status of fiber and recycled content used in Walmart private brand products, as well as the country of origin and wood species used to make the fiber, through public monitoring and geospatial transparency platforms.

For additional information on our Forest policy please see: https://corporate.walmart.com/policies and for additional information on our goals and how we are working to achieve them, please read our ESG report on Regeneration of Natural Resources: Forests, Land, Oceans here:
https://corporate.walmart.com/esgreport/environmental/regeneration-of-natural-resources-forests-land-oceans

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**Forest risk commodity**
Palm oil

**Criteria**
No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
No sourcing of illegally produced and/or traded forest risk commodities
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

**Operational coverage**
Supply chain

**% of total production/ consumption covered by commitment**
100%

**Cutoff date**
2018

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**
Compliance with initiative, please specify (RSPO Certification)

**Commitment target date**
2021-25

**Please explain**
Walmart’s goal is to ensure that by 2025 our private brand products containing any form of palm oil (crude, refined, palm kernel oil, fractions, expellers, and derivatives) will be sourced with no deforestation or conversion in accordance with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) segregated supply chain systems, or equivalent standards. The goal was originally set in 2011, and was updated to include DCF considerations in 2020 with the updated Forests Policy.

The cut-off date included in F4.6b for palm oil reflects the cut-off date used by RSPO for HCV and HCS areas. RSPO segregated is the primary approach outlined in our Forests Policy for achieving DCF palm oil.

For all Walmart private brand products, we ask our global suppliers to:
Use only palm oil sourced in accordance with the principles and criteria of the RSPO (segregated supply chain systems), or equivalent standards, by the end of 2025.
Maintain (and make available upon request to Walmart) records about the volume of palm oil and verification of sustainable palm oil used in Walmart private brand products on an annual basis, as well as disclose the origin (geographic region, country, state/province, plantation, and trader) through public monitoring and geospatial transparency platforms.
Maintain comprehensive records and reports about the volume of palm oil and verification of deforestation and conversion-free palm oil sold to Walmart, as well as the origin. Annually demonstrate deforestation and conversion-free palm sourcing to the plantation of origin through traceability reports or verifiable monitoring tools. We ask that all national brand suppliers to Walmart using palm oil use only palm sourced in accordance with the principles and criteria of the RSPO (mass balance and segregated supply chain systems), or equivalent standards, by the end of 2025 and report progress annually. Suppliers responding to our palm oil survey reported that, by the end of FY23, approximately , 80% was certified RSPO Mass Balance or equivalent standard and 8% sourced RSPO segregated supply chain standards or higher.

Suppliers supplying Walmart private brand products in departments most likely to contain palm oil were identified and encouraged to participate in Walmart’s palm oil survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing palm oil, suppliers representing 92% of Private Brand sales from the relevant business responded. The percentage of supplier reported palm oil volumes in Walmart private brand products certified as more sustainable is the quotient of the volume of each certified palm oil type divided by total volume of palm oil, per the supplier survey responses. Metrics include data from suppliers reporting palm oil from sources that are certified according to RSPO Mass Balance or equivalent plus RSPO Segregated Supply Chain Standard and RSPO Identity Preserved Supply Chain Standard.

For more information on our goals and activities to support sustainably produced palm oil, please read our Palm Oil Policy, ESG brief on Nature, as well as our brief on Product Supply Chain Sustainability.

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**Forest risk commodity**
Cattle products

**Criteria**
No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
No sourcing of illegally produced and/or traded forest risk commodities

**Operational coverage**
Selected facilities, businesses or geographies only

**% of total production/ consumption covered by commitment**
100%

**Cutoff date**
2009

**Forest risk countries/areas that the cutoff date applies to**
Any other countries/areas

**Reason for selecting cutoff date**
Compliance with initiative, please specify (Beef on Track Protocol)

**Commitment target date**
2021-25

**Please explain**
The commitment target date is from 2020 -2022 and the total production only covers fresh national and private brand beef products sourced in three priority regions: Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay.

The cut-off date included in F4.6b for cattle products reflects the cut-off date used by the Beef on Track Protocol for the DCF implementation criteria. The Beef on Track Protocol is the basis for our supply chain monitoring and verification of DCF beef from the Amazon and Cerrado.

By the end of 2022, for national and private brands, Walmart aims to only source fresh beef from the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay that has been produced with no deforestation or conversion.

We ask all national and private brand Walmart fresh beef suppliers sourcing from Brazil, Argentina, and Paraguay to:
Source and use only beef that has been produced deforestation and conversion-free across the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay by the end of 2022; report traceability of the beef chain with geospatial mapping for risk assessment through full chain of custody traceability. This should include direct and indirect supply chain controls.
Maintain (and make available upon request to Walmart) comprehensive records about the volume of beef and verification of zero deforestation and conversion beef sold to Walmart, as well as the origin (slaughterhouse name and location, full farm traceability with names and locations, and date of slaughter from both direct and indirect farms).
Maintain comprehensive time-bound plans and clear milestones regarding sourcing deforestation and conversion-free beef sold to Walmart.

For more information on our goals and how we're aiming to reduce deforestation and conversion in the beef supply chain, please read our ESG reports on Nature and Product Supply Chain Sustainability.

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**Forest risk commodity**
Soy

**Criteria**
No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
No sourcing of illegally produced and/or traded forest risk commodities

**Operational coverage**
Selected facilities, businesses or geographies only

**% of total production/ consumption covered by commitment**
100%

**Cutoff date**
2008

**Forest risk countries/areas that the cutoff date applies to**
Any other countries/areas

**Reason for selecting cutoff date**
Compliance with initiative, please specify (Amazon Soy Moratorium)

**Commitment target date**
2021-25

**Please explain**
Total production of soy, includes soy used in animal feed, sourced from Brazil, Argentina and Paraguay. The commitment target date is from 2020-2023.

The cut-off date included in F4.6b for soy products reflects the cut-off date used by the Amazon Soy Moratorium for DCF implementation. Walmart has supported the indefinite extension of the Amazon Soy Moratorium. The Brazilian Amazon biome, where the Soy Moratorium is implemented, is a priority region for DCF soy sourcing, as outlined in our Forests Policy.

By 2023, Walmart aims to only source soy that has been produced with no deforestation or conversion.

We ask all Walmart private brand suppliers selling products containing soy (both as an ingredient and in feed for animal products) from Brazil, Argentina, and Paraguay to: • Maintain a footprint analysis to identify sourcing from higher-risk countries and demonstrate that sources can be traced at country, state, and regional level. • Source and use only soy (including directly purchased soy and its derivatives and soy used in raw meat, eggs, and dairy feed) that has been produced deforestation and conversion-free across the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay by the end of 2023. • For any soy sourced from the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay, suppliers are asked to demonstrate that the soy is deforestation and conversion-free by: 1. Sourcing soy certified by any of the following certification schemes (this list will be kept under review as other schemes are introduced), or equivalent standards: Roundtable on Responsible Soy. RTRS provides two schemes: RTRS Soy Credits and RTRS Physical Soy. Soy credits are acceptable until 2022. After this time only physically certified soy (either segregated sources or mass balance) will be accepted; Cefetra Certified Responsible Soy; Proterra Standard OR 2. Maintaining and reporting comprehensive records about the volume of soy and verification of deforestation and conversion-free soy sold to Walmart, as well as the origin (production farm and crushing plant). Annually demonstrate deforestation and conversion-free sourcing to the plantation of origin through traceability reports or verifiable geospatial monitoring tools.

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## F5. Business strategy

## F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

| | Are forests-related issues integrated? | Long-term time horizon (years) | Please explain |
|---|---|---|---|
| Long-term business objectives | Yes, forests-related issues are integrated | 5-10 | We aspire to become a regenerative company, one dedicated to placing nature and humanity at the center of our business practices. Accordingly, Walmart and the Walmart Foundation have set a goal to help protect, more sustainably manage, or restore at least 50 million acres of land by 2030.<br><br>As part of this, we also have intermediate goals around fostering more sustainable production of commodities and encourage suppliers to report progress on their nature goals. Specific commodity goals that ladder up to our broader 2030 goal are articulated in our Forests Policy and include:<br><br>Pulp, Paper, Timber:<br>In 2016, we established our first goal related to pulp, paper, and timber. In 2020, we updated the goal to: by 2025, Walmart's goal is that private brand products made of pulp, paper, and timber will be sourced deforestation and conversion-free. Walmart aims to implement sustainable pulp, paper, and timber procurement practices that promote sustainable management, conservation, protection and restoration of the world's forests.<br><br>Palm Oil:<br>In 2011, we established our first palm oil goal. In 2020, we refreshed the goal to: by 2025, Walmart's aim is that private brand products containing any form of palm oil (crude, refined, palm kernel oil, fractions, expellers, and derivatives) will be sourced with no deforestation or conversion in accordance with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) segregated supply chain systems, or equivalent standards.<br><br>Soy:<br>In 2020 we established the goal that by 2023, Walmart aims to only source soy that has been produced with no deforestation or conversion. In addition, Walmart supports the indefinite extension of the Soy Moratorium in Brazil's Amazon region and encourages suppliers to publicly endorse the agreement. Walmart also actively supports regional agreements regarding deforestation and conversion-free production in additional high-risk biomes. |
| Strategy for long-term objectives | Yes, forests-related issues are integrated | 5-10 | We encourage suppliers and merchants to make buying decisions aligned with our goals by fostering more sustainable production of commodities while promoting forest, field, and ocean health through sourcing requirements, best practice sharing, supplier engagement, and industry consortia. Our sourcing teams seek to procure products that support our commitment to regenerative supply chains. For commodities that come from nature, Walmart articulates our expectations through nature-related policies and position statements, which include certification expectations.<br><br>To promote best practices, we provide resources and forums for suppliers, merchants, and experts to share and learn. Examples include Walmart Sustainability Hub, Place-based initiatives connectors, Project Gigaton "calculators," Commodity summits, Joint sustainability plans, and Philanthropic investments. We also support multi-stakeholder initiatives, like the Consumer Goods Forum and the World Economic Forum, which help to accelerate progress.<br><br>For each forest commodity, this also includes:<br><br>Palm Oil: For all Walmart private brand products, we ask our suppliers to use only palm oil sourced in accordance with the principles and criteria of the RSPO, or equivalent standards, by the end of 2025. We ask that all national brand suppliers to Walmart using palm oil use only palm sourced in accordance with the RSPO, or equivalent standards, by the end of 2025 and report progress annually.<br><br>Timber, Pulp and Paper: For all Walmart private brand products, we ask suppliers to proactively conduct risk assessments to understand forest fiber and timber sources, species used, and transition supply to certified and/or recycled sources. Source virgin fiber and timber only from sources certified to internationally recognized forest, fiber, and chain-of-custody certification standards.<br><br>Soy: We ask all Walmart private brand suppliers selling products containing soy from Brazil, Argentina, and Paraguay to source and use only soy that has been produced deforestation and conversion-free across the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay by the end of 2023. |
| Financial planning | Yes, forests-related issues are integrated | 5-10 | Merchants take into consideration the cost of these certified goods into their projections and planning, which cover up to five years. |

## F6. Implementation

### F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

### F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

**Target reference number**
Target 1

**Forest risk commodity**
Timber products

**Year target was set**
2016

**Target coverage**
Company-wide

**Target category**
Third-party certification

**Metric**
% of volume third-party certified

**Traceability point**

<Not Applicable>

**Third-party certification scheme**
FSC (any type)
FSC Forest Management certification
FSC Chain of Custody
FSC Controlled Wood
FSC Recycled
PEFC (any type)
PEFC Sustainable Forest Management certification
PEFC Chain of Custody
SFI Forest Management standard
SFI Chain of Custody
SFI Fiber Sourcing certification

**Base year**
2016

**Base year figure**

**Target year**
2025

**Target year figure**
100

**Reporting year figure**
63

**% of target achieved relative to base year [auto-calculated]**
<Calculated field>

**Target status in reporting year**
Underway

**Is this target linked to a commitment?**
No conversion of natural ecosystems

**Please explain**
We originally set a goal related to pulp, paper, and timber in 2016. In 2020, we updated the goal to: by 2025, source private brand products made of pulp, paper, and timber deforestation and conversion-free. Implement sustainable pulp, paper, and timber procurement practices that promote sustainable management, conservation, protection and restoration of the world's forests.

For all Walmart private brand products, we ask our global suppliers to: • Proactively conduct risk assessments to understand forest fiber and timber sources, species used, and transition supply away from higher risk sources to certified and/or recycled sources. • Source virgin fiber and timber only from sources certified to internationally recognized forest, fiber, and chain-of-custody certification standards. We expect suppliers to be able to track and report the origin of their fiber raw materials. We ask our global private brand suppliers to source virgin fiber and timber originating from high-priority countries in accordance with full FSC certification of forest management by the end of 2025, when it is available in quantities, performance characteristics and prices that meet our suppliers' needs. • Work to increase the use of recycled content where feasible. • Maintain records about the volume of pulp, paper, and timber products and certification status of fiber and recycled content used in Walmart private brand products, as well as the country of origin and wood species used to make the fiber, through public monitoring and geospatial transparency platforms. In FY2023, 87% of supplier-reported pulp and paper volume in Walmart Inc. private brand products was recycled or certified by the FSC, PEFC, SFI.
Suppliers supplying Walmart private brand pulp, paper, and timber products were encouraged to participate in Walmart's pulp and paper survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing pulp and paper, suppliers representing 92% of the relevant business sales responded. The percentage of supplier-reported pulp and paper volumes in Walmart private brand products certified as more sustainable or containing recycled content is the quotient of the volume of certified or recycled pulp and paper divided by total volume of pulp and paper, per the supplier survey responses.

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**Target reference number**
Target 2

**Forest risk commodity**
Palm oil

**Year target was set**
2011

**Target coverage**
Company-wide

**Target category**
Third-party certification

**Metric**
% of volume third-party certified

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
RSPO Identity Preserved
RSPO Segregated
RSPO Mass Balance

**Base year**
2011

**Base year figure**

**Target year**

2025

**Target year figure**
100

**Reporting year figure**
88

**% of target achieved relative to base year [auto-calculated]**
<Calculated field>

**Target status in reporting year**
Underway

**Is this target linked to a commitment?**
Zero net/gross deforestation

**Please explain**
We originally set a goal related to palm oil in 2011. In 2020, we refreshed the goal to: by 2025, Walmart's aim is that private brand products containing any form of palm oil (crude, refined, palm kernel oil, fractions, expellers, and derivatives) will be sourced with no deforestation or conversion in accordance with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) segregated supply chain systems, or equivalent standards. We ask our global suppliers to: • Use only palm oil sourced in accordance with the principles and criteria of the RSPO segregated supply chain standards or higher, or equivalent standards, by the end of 2025. • Maintain (and make available upon request to Walmart) comprehensive records about the volume of palm oil and verification of more sustainable palm oil used in Walmart private brand products on an annual basis, as well as disclose the origin (geographic region, country, state/province, plantation, and trader) through public monitoring and geospatial transparency platforms. • Maintain records and reports about the volume of palm oil and verification of deforestation and conversion-free palm oil sold to Walmart, as well as the origin. Annually demonstrate deforestation and conversion-free palm sourcing to the plantation of origin through traceability reports or verifiable monitoring tools. Private-brand suppliers responding to our palm oil survey reported that, in FY2023, Walmart achieved 88% certified more sustainable palm oil according to RSPO Mass balance, certified equivalent or higher. Of this, 80% was certified RSPO Mass Balance or equivalent standard and 8% sourced RSPO segregated supply chain standards or higher.

Suppliers supplying Walmart private brand products in departments most likely to contain palm oil were identified and encouraged to participate in Walmart's palm oil survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing palm oil, suppliers representing 92% of Private Brand sales from the relevant business responded. The percentage of supplier reported palm oil volumes in Walmart private brand products certified as more sustainable is the quotient of the volume of each certified palm oil type divided by total volume of palm oil, per the supplier survey responses.

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**Target reference number**
Target 3

**Forest risk commodity**
Cattle products

**Year target was set**
2020

**Target coverage**
Country/area/region

**Target category**
Traceability

**Metric**
% of volume traceable to traceability point

**Traceability point**
Rearing farm

**Third-party certification scheme**
<Not Applicable>

**Base year**
2020

**Base year figure**

**Target year**
2022

**Target year figure**
100

**Reporting year figure**
91

**% of target achieved relative to base year [auto-calculated]**
<Calculated field>

**Target status in reporting year**
Underway

**Is this target linked to a commitment?**
Zero net/gross deforestation

**Please explain**
We ask all Walmart fresh and frozen, private and national brand beef suppliers sourcing from Brazil, Argentina, and Paraguay to: • Source and use only beef that has been produced deforestation and conversion-free across the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay by the end of 2022; report traceability of the beef chain with geospatial mapping for risk assessment through full chain of custody traceability. This should include direct and indirect supply chain controls. • Maintain (and make available upon request to Walmart) records about the volume of beef and verification of zero deforestation and conversion beef sold to Walmart, as well as the origin (slaughterhouse name and location, full farm traceability with names and locations, and date of slaughter from both direct and indirect farms). Maintain comprehensive time-bound plans and clear milestones regarding sourcing deforestation and conversion-free beef sold to Walmart.

To help us meet our goals, we have asked suppliers sourcing from Brazil, Argentina, and Paraguay to: • Verify their sourcing of deforestation-free beef from certain regions using aerial verification tools such as Terras, AgroTools, Safe Trace and SIMFaz • Support regional efforts that promote more sustainable production, grazing management improvements and reforestation efforts • Measure and report beef use and sourcing information annually. In 2022, 91% of supplier-reported fresh beef volume sold by Walmart Chile (private and national brands) from priority regions mentioned in our Forest Policy was traced and verified as deforestation and conversion-free (by Safe Trace).

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**Target reference number**
Target 4

**Forest risk commodity**
Soy

**Year target was set**
2020

**Target coverage**
Country/area/region

**Target category**
Traceability

**Metric**
% of volume traceable to traceability point

**Traceability point**
Farm

**Third-party certification scheme**
<Not Applicable>

**Base year**
2020

**Base year figure**

**Target year**
2023

**Target year figure**
100

**Reporting year figure**

**% of target achieved relative to base year [auto-calculated]**
<Calculated field>

**Target status in reporting year**
Underway

**Is this target linked to a commitment?**
Zero net/gross deforestation

**Please explain**
We ask all Walmart private brand suppliers selling products containing soy (both as an ingredient and in feed for animal products) from Brazil, Argentina, and Paraguay to: • Maintain a footprint analysis to identify sourcing from higher-risk countries and demonstrate that sources can be traced at country, state, and regional level. • Source and use only soy (including directly purchased soy and its derivatives and soy used in raw meat, eggs, and dairy feed) that has been produced deforestation and conversion-free across the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay by the end of 2023.

We have asked suppliers sourcing from Brazil, Argentina, and Paraguay to: • Source soy certified by the Roundtable on Responsible Soy, Cefetra Certified Responsible Soy, the Proterra Standard or equivalent standards, or demonstrate deforestation- and conversion-free sourcing to the plantation of origin through traceability reports or verifiable geospatial monitoring tools • Support regional efforts that promote more sustainable production and reforestation efforts • Measure and report soy use and sourcing information annually * Walmart also supports the indefinite extension of the Soy Moratorium in Brazil's Amazon region.

The work for tracing and verifying soy within our supply chain began in late 2021 and continued in 2022. We cannot yet provide a percent of target achieved for 2022, but have developed systems and partnerships that aim to allow us to report the percentage of target achieved in 2023.

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## F6.2

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

| | Do you have system(s) in place? | Supply chain coverage | Description of traceability system | Exclusions | Description of exclusion |
|---|---|---|---|---|---|
| Timber products | Yes | Volume from direct suppliers only | We have an internal procurement system where supplier report country of origin for each of the products sourced | Country/geographical area | |
| Palm oil | No | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Cattle products | Yes | Volume from direct suppliers only | We currently ask our private and national brand suppliers to submit farm-level data for fresh beef purchased in the priority regions mentioned in our Forests Policy to SafeTrace, Brazilian-based company that specializes in traceability of the food production chain, to help validate they do not come from recently deforested or converted land. | Country/geographical area | In 2022, this traceability work was focused on fresh beef products sourced for Walmart Chile private and national brands from the priority regions in our Forests Policy: Brazil's Amazon and Cerrado regions, and Argentina and Paraguay's Gran Chaco. |
| Soy | Yes | Volume from direct suppliers only | We currently ask our suppliers to submit farm-level data for soy purchased in the priority regions mentioned in our Forests Policy to SafeTrace, Brazilian-based company that specializes in traceability of the food production chain, to help validate they do not come from recently deforested or converted land. | Country/geographical area | In 2022, this traceability work was focused on soy sourced for Walmart Mexico from the priority regions in our Forests Policy: Brazil's Amazon and Cerrado regions, and Argentina and Paraguay's Gran Chaco. |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## F6.2a

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

| Forest risk commodity | Point to which commodity is traceable | Countries/areas to which this traceability point applies | % of total production/consumption volume traceable |
|---|---|---|---|
| Cattle products | Fattening farm | Argentina<br>Brazil<br>Paraguay<br>Uruguay | 100 |
| Soy | First importer | Argentina<br>Brazil<br>Paraguay<br>Uruguay | 0 |
| Timber products | Country | Canada<br>China<br>Germany<br>Indonesia<br>Mexico<br>Republic of Korea<br>Thailand<br>United States of America<br>Viet Nam | 100 |

## F6.2b

**(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?**

**Forest risk commodity**
Palm oil

**Primary reason**
Important, but not an immediate business priority

**Please explain**
We have used certifications and supplier-managed monitoring programs to help us better understand the origin of key commodities that may be sourced from regions with elevated risks of deforestation or conversion. Effective monitoring and traceability back to commodity origins is highly complex and represents a challenge faced by industry across all disclosed commodities. We plan to continue to collaborate with our suppliers to strengthen monitoring and enhance traceability for key commodities in priority regions. We also plan to engage recognized certifications to support more robust tracking, monitoring, and chain of custody. For palm oil, we aim to source RSPO segregated (or equivalent) for private brands products by 2025, which requires inherent monitoring and traceability back to origin.

## F6.3

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

| | Third-party certification scheme adopted? | % of total production and/or consumption volume certified |
|---|---|---|
| Timber products | Yes | 63 |
| Palm oil | Yes | 88 |
| Cattle products | No, we have not adopted any third-party certification schemes for this commodity | <Not Applicable> |
| Soy | Yes | |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F6.3a

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

**Forest risk commodity**
Timber products

**Third-party certification scheme**
FSC (any type)

**Chain-of-custody model used**
<Not Applicable>

**% of total production/consumption volume certified**
19

**Form of commodity**
Sawn timber, veneer, chips
Pulp
Paper

**Volume of production/ consumption certified**
444358

**Metric for volume**
Metric tons

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Please select

**Please explain**
Provide the volume of the commodity that is certified by more than one scheme.: 1,468,927 MT
Provide the percentage of total volume that is certified by more than one scheme.: 63%
State the schemes under which this volume is certified. Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI).

Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing pulp, paper, and timber suppliers representing 92% of the relevant business responded. The percentage of supplier-reported pulp, paper, and timber volumes in Walmart private brand products certified as sustainable or containing recycled content is the quotient of the volume of certified or recycled pulp and paper divided by total volume of pulp, paper, and timber per the supplier survey responses.

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**Forest risk commodity**
Timber products

**Third-party certification scheme**
Other, please specify (SFI or PEFC Due Diligence)

**Chain-of-custody model used**
Not applicable

**% of total production/consumption volume certified**
21.1

**Form of commodity**
Sawn timber, veneer, chips
Pulp
Paper

**Volume of production/ consumption certified**
491978

**Metric for volume**
Metric tons

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Please select

**Please explain**
Provide the volume of the commodity that is certified by more than one scheme.: 1,468,927 MT
Provide the percentage of total volume that is certified by more than one scheme.: 63%
State the schemes under which this volume is certified. Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative

Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing pulp, paper, and timber suppliers representing 92% of the relevant business responded. The percentage of supplier-reported pulp, paper, and timber volumes in Walmart private brand products certified as sustainable or containing recycled content is the quotient of the volume of certified or recycled pulp and paper divided by total volume of pulp, paper, and timber per the supplier survey responses.

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**Forest risk commodity**
Timber products

**Third-party certification scheme**
Other, please specify (SFI or PEFC Endorsed)

**Chain-of-custody model used**
Not applicable

**% of total production/consumption volume certified**
22.8

**Form of commodity**
Sawn timber, veneer, chips
Pulp
Paper

**Volume of production/ consumption certified**
532592

**Metric for volume**
Metric tons

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Please select

**Please explain**
Provide the volume of the commodity that is certified by more than one scheme.: 1,468,927 MT
Provide the percentage of total volume that is certified by more than one scheme.: 63%
State the schemes under which this volume is certified. Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI).

Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing pulp, paper, and timber suppliers representing 92% of the relevant business responded. The percentage of supplier-reported pulp, paper, and timber volumes in Walmart private brand products certified as sustainable or containing recycled content is the quotient of the volume of certified or recycled pulp and paper divided by total volume of pulp, paper, and timber per the supplier survey responses.

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**Forest risk commodity**
Palm oil

**Third-party certification scheme**
RSPO Identity Preserved

**Chain-of-custody model used**
<Not Applicable>

**% of total production/consumption volume certified**
1

**Form of commodity**
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

**Volume of production/ consumption certified**
1688

**Metric for volume**
Metric tons

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Please select

**Please explain**
Provide the volume of the commodity that is certified by more than one scheme.: 112,458 MT
Provide the percentage of total volume that is certified by more than one scheme.: 88%
State the schemes under which this volume is certified: RSPO Mass Balance, RSPO Segregated, RSPO Identity Preserved.

Suppliers responding to our palm oil survey reported that, in FY2023, Walmart achieved approximately 88% certified more sustainable palm oil according to RSPO Mass balance, certified equivalent or higher. Of this, 80% (102,346 MT) was certified RSPO Mass Balance or equivalent standard, 7% was certified RSPO segregated (8,424

MT), and 1% (1,688) was certified RSPO Identity Preserved.

Suppliers supplying Walmart private brand products in departments most likely to contain palm oil were identified and encouraged to participate in Walmart's palm oil survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing palm oil, suppliers representing 92% of Private Brand sales from the relevant business responded.

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**Forest risk commodity**
Palm oil

**Third-party certification scheme**
RSPO Segregated

**Chain-of-custody model used**
<Not Applicable>

**% of total production/consumption volume certified**
7

**Form of commodity**
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

**Volume of production/ consumption certified**
8424

**Metric for volume**
Metric tons

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Please select

**Please explain**
Provide the volume of the commodity that is certified by more than one scheme.: 112,458 MT
Provide the percentage of total volume that is certified by more than one scheme.: 88%
State the schemes under which this volume is certified: RSPO Mass Balance, RSPO Segregated, RSPO Identity Preserved.

Suppliers responding to our palm oil survey reported that, in FY2023, Walmart achieved approximately 88% certified sustainable palm oil according to RSPO Mass balance, certified equivalent or higher. Of this, 80% (102,346 MT) was certified RSPO Mass Balance or equivalent standard, 7% was certified RSPO segregated (8,424 MT), and 1% (1,688) was certified RSPO Identity Preserved.

Suppliers supplying Walmart private brand products in departments most likely to contain palm oil were identified and encouraged to participate in Walmart's palm oil survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing palm oil, suppliers representing 92% of Private Brand sales from the relevant business responded.

---

**Forest risk commodity**
Palm oil

**Third-party certification scheme**
RSPO Mass Balance

**Chain-of-custody model used**
<Not Applicable>

**% of total production/consumption volume certified**
80

**Form of commodity**
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

**Volume of production/ consumption certified**
102346

**Metric for volume**
Metric tons

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Please select

**Please explain**
Provide the volume of the commodity that is certified by more than one scheme.: 112,458 MT
Provide the percentage of total volume that is certified by more than one scheme.: 88%
State the schemes under which this volume is certified: RSPO Mass Balance, RSPO Segregated, RSPO Identity Preserved.

Suppliers responding to our palm oil survey reported that, in FY2023, Walmart achieved approximately 88% certified more sustainable palm oil according to RSPO Mass balance, certified equivalent or higher. Of this, 80% (102,346 MT) was certified RSPO Mass Balance or equivalent standard, 7% was certified RSPO segregated (8,424 MT), and 1% (1,688) was certified RSPO Identity Preserved.

Suppliers supplying Walmart private brand products in departments most likely to contain palm oil were identified and encouraged to participate in Walmart's palm oil survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing palm oil, suppliers representing 92% of Private Brand sales from the relevant business responded.

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**Forest risk commodity**
Soy

**Third-party certification scheme**
RTRS (any type)

**Chain-of-custody model used**
Not applicable

**% of total production/consumption volume certified**

**Form of commodity**
Other, please specify (Volume of production/ consumption certified)

**Volume of production/ consumption certified**

**Metric for volume**
Please select

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Don't know

**Please explain**
While we have a system in place for our no conversion and/or deforestation goals, and continue to work with our suppliers on mapping, monitoring, and verifying farms, the work of tracing and verifying began this year so we cannot currently provide a percent of certified soy at present.

---

**Forest risk commodity**
Soy

**Third-party certification scheme**
ProTerra certification

**Chain-of-custody model used**
Not applicable

**% of total production/consumption volume certified**

**Form of commodity**
Other, please specify (Volume of production/ consumption certified)

**Volume of production/ consumption certified**

**Metric for volume**
Please select

**Is this certified by more than one scheme?**
Yes

**Is embedded soy certified through this scheme?**
Don't know

**Please explain**
While we have a system in place for our no conversion and/or deforestation goals, and continue to work with our suppliers on mapping, monitoring, and verifying farms, the work of tracing and verifying began this year so we cannot currently provide a percent of certified soy at present.

---

## F6.4

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

| | A system to control, monitor or verify compliance | Comment |
|---|---|---|
| Timber products | Yes, we have a system in place for our no conversion and/or deforestation commitments | <Not Applicable> |
| Palm oil | Yes, we have a system in place for our no conversion and/or deforestation commitments | <Not Applicable> |
| Cattle products | Yes, we have a system in place for our no conversion and/or deforestation commitments | <Not Applicable> |
| Soy | Yes, we have a system in place for our no conversion and/or deforestation commitments | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F6.4a

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

**Forest risk commodity**
Cattle products

**Operational coverage**
Supply chain
Selected facilities, businesses or geographies only

**Description of control systems**
Walmart has initiated work with Safe Trace to monitor and verify the origin of products from high-risk regions of its beef supply chain. Safe Trace is a company specialized in the traceability of the meat production chain, integrating all the links, from the field to the consumer's plate.
http://www.safetrace.com.br/st2010/Pagina.do?idSecao=32

**Monitoring and verification approach**
Geospatial monitoring tool

**% of total volume in compliance**
91-99%

**% of total suppliers in compliance**
71-80%

**Response to supplier non-compliance**
Retain & engage
Suspend & engage

**% of non-compliant suppliers engaged**
Don't know

**Procedures to address and resolve non-compliance with suppliers**
Developing time-bound targets and milestones to bring suppliers back into compliance

**Please explain**
All data provided is for all direct supplying cattle farms in priority regions as specified in our Forests Policy that were assessed by SafeTrace for Walmart Chile private and national brands, and were independently verified as DCF through established or agreed-upon protocols and external validation.
To help us meet our goals, we have asked private and national brand suppliers sourcing from Brazil, Argentina, and Paraguay to: • Verify their sourcing of deforestation-free beef from certain regions using aerial verification tools such as Terras, AgroTools, Safe Trace and SIMFaz • Support regional efforts that promote more sustainable production, grazing management improvements and reforestation efforts • Measure and report beef use and sourcing information annually

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**Forest risk commodity**
Soy

**Operational coverage**
Supply chain
Selected facilities, businesses or geographies only

**Description of control systems**
http://www.safetrace.com.br/st2010/Pagina.do?idSecao=32

**Monitoring and verification approach**
Geospatial monitoring tool

**% of total volume in compliance**
Don't know

**% of total suppliers in compliance**
Don't know

**Response to supplier non-compliance**
Retain & engage

**% of non-compliant suppliers engaged**
<Not Applicable>

**Procedures to address and resolve non-compliance with suppliers**
Developing time-bound targets and milestones to bring suppliers back into compliance

**Please explain**
To help us meet our goals, we have asked suppliers sourcing from Brazil, Argentina, and Paraguay to: Source soy certified by the Roundtable on Responsible Soy, Cefetra Certified Responsible Soy, the Proterra Standard or equivalent standards, or demonstrate deforestation- and conversion-free sourcing to the plantation of origin through traceability reports or verifiable geospatial monitoring tools • Support regional efforts that promote more sustainable production, grazing management improvements and reforestation efforts • Measure and report soy use and sourcing information annually

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**Forest risk commodity**
Timber products

**Operational coverage**
Supply chain

**Description of control systems**
As a retailer, with a downstream presence in the value chain, we work with our suppliers and other upstream actors to help control, monitor and verify compliance with the DCF goals for our priority commodities. This includes embedding DCF criteria into product specification sheets and supplier contracts to control compliance. It also includes monitoring and verifying supplier progress through our reporting systems, such as our private brand forests survey and Project Gigaton, which captures commodity sourcing volumes as well as compliance data with our Forests Policy. For timber products, our primary control mechanisms for monitoring and verifying compliance is supplier disclosed certification volumes from independent standards (FSC, SFI and PEFC).

**Monitoring and verification approach**
Other, please specify (We monitor and verify supplier progress through our reporting systems, such as surveys. Our primary control mechanisms is supplier disclosed certification volumes from independent standards(FSC, SFI and PEFC).)

**% of total volume in compliance**
81-90%

**% of total suppliers in compliance**
91-99%

**Response to supplier non-compliance**
Retain & engage

**% of non-compliant suppliers engaged**
Don't know

**Procedures to address and resolve non-compliance with suppliers**
Developing time-bound targets and milestones to bring suppliers back into compliance

**Please explain**
Suppliers supplying Walmart private brand products in departments most likely to contain pulp and paper were identified and encouraged to participate in Walmart's pulp and paper survey. Every year our product developers and merchants work with their supplier to be compliant with our Forest Policy.

---

**Forest risk commodity**
Palm oil

**Operational coverage**
Supply chain

**Description of control systems**
As a retailer, with a downstream presence in the value chain, we work with our suppliers and other upstream actors to help control, monitor and verify compliance with the DCF goals for our priority commodities. This includes embedding DCF criteria into product specification sheets and supplier contracts to control compliance. It also includes monitoring and verifying supplier progress through our reporting systems, such as our private brand forests survey and Project Gigaton, which captures commodity sourcing volumes as well as compliance data with our Forests Policy.

**Monitoring and verification approach**
Other, please specify (We monitor and verify supplier progress through our reporting systems, such as surveys. For palm oil, our primary control mechanism is supplier disclosed certification volumes from an independent standard, RSPO.)

**% of total volume in compliance**
81-90%

**% of total suppliers in compliance**
91-99%

**Response to supplier non-compliance**
Retain & engage

**% of non-compliant suppliers engaged**
Don't know

**Procedures to address and resolve non-compliance with suppliers**
Developing time-bound targets and milestones to bring suppliers back into compliance

**Please explain**
Suppliers supplying Walmart private brand products in departments most likely to contain palm oil were identified and encouraged to participate in Walmart's Forests Survey, which includes a section on Palm Oil certification. Every year our product developers and merchants work with their suppliers to be compliant with our Forest Policy and submit their volumes during each year's reporting season. Those suppliers that do not submit are contacted by our sustainability, private brand development and merchant teams post-reporting season and asked to submit during the following year's reporting season.

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## F6.6

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

| | Assess legal compliance with forest regulations | Comment |
|---|---|---|
| Timber products | No, we do not assess legal compliance | Walmart does not independently assess our suppliers' legal compliance with local law, however we have adopted standards that require compliance with local law as a condition of supplying products to Walmart. |
| Palm oil | No, we do not assess legal compliance | Walmart does not independently assess our suppliers' legal compliance with local law, however we have adopted standards that require compliance with local law as a condition of supplying products to Walmart. |
| Cattle products | No, we do not assess legal compliance | Walmart does not independently assess our suppliers' legal compliance with local law, however we have adopted standards that require compliance with local law as a condition of supplying products to Walmart. |
| Soy | No, we do not assess legal compliance | Walmart does not independently assess our suppliers' legal compliance with local law, however we have adopted standards that require compliance with local law as a condition of supplying products to Walmart. |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

| | Are you working with smallholders? | Type of smallholder engagement approach | Smallholder engagement approach | Number of smallholders engaged | Please explain |
|---|---|---|---|---|---|
| Timber products | No, not working with smallholders | <Not Applicable> | <Not Applicable> | <Not Applicable> | Through sourcing and philanthropy, we aim to help connect smallholder farmers and small producers to commodity markets while strengthening their capacity and resilience. |
| Palm oil | Yes, working with smallholders | Capacity building | Offering on-site technical assistance and extension services | 250 | In March 2021, Walmart Foundation made a grant to Wildlife Conservation Society (WCS) to support a project titled: “Supporting smallholder livelihoods and protecting critical forests and biodiversity in northern Sumatra, Indonesia”. This grant currently aims to support at least 250 smallholder palm oil farmers with technical assistance and training and to help increase palm oil production on farms by at least 10%. This grant was still active at the time of this disclosure. |
| Cattle products | Yes, working with smallholders | Capacity building | Offering on-site technical assistance and extension services | 300 | In September 2020, Walmart Foundation made a grant to Instituto Centro de Vida (ICV) to support a project, titled: “Integrated Socio-productive Arrangements in Deforestation-Free Territories”. This grant aims to provide agricultural technical assistance training for at least 300 rural families to support socioeconomic outcomes for family farms in the state of Mato Grosso, Brazil. This grant was still active at the time of this disclosure. |
| Soy | No, not working with smallholders | <Not Applicable> | <Not Applicable> | <Not Applicable> | Through sourcing and philanthropy, we aim to help connect smallholder farmers and small producers to commodity markets while strengthening their capacity and resilience. |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

**Forest risk commodity**
Timber products

**Are you working with direct suppliers?**
Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**
Ending deforestation and/or conversion of other ecosystems

**Type of engagement**
Innovation and collaboration

**Details of engagement**
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

**Description of engagement**
As a member of the Consumer Good Forum’s (CGF) Forest Positive Coalition (FPC) we are building on the CGF’s 2010 resolution to achieve zero net deforestation in our supply chains, and the Coalition’s aspiration to a forest positive future, to achieve deforestation and conversion-free (DCF) supply chains. We regularly participate in FPC commodity working groups to engage in stakeholder consultations throughout the year to develop commodity roadmaps and action plans to help deliver a forest positive future for the planet. Walmart provides thought leadership, reports progress, and information around key commodities, and helps to advance landscape-level initiatives.

**% of suppliers engaged by procurement spend covered by engagement**

**Explain the impact of your engagement on the selected action**
Our engagement in the CGF-FPC has helped contribute to stronger alignment on best practices to address deforestation and advancing conservation, restoration, more sustainable management, as well as socioeconomic benefits for communities as part of a forest-positive ambition. This is evident by the publication of the commodity roadmaps and annual reports, which reflect input from across the CGF-FPC membership.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**
Yes

**Does this engagement contribute to achieving a reported target?**
Yes, please specify target ID(s) (Goals stated in Walmart’s Forests Policy and Nature Goal)

---

**Forest risk commodity**
Palm oil

**Are you working with direct suppliers?**
Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**
Ending deforestation and/or conversion of other ecosystems

**Type of engagement**
Innovation and collaboration

**Details of engagement**
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

**Description of engagement**
As a member of the Consumer Good Forum’s (CGF) Forest Positive Coalition (FPC) we are building on the CGF’s 2010 resolution to achieve zero net deforestation in our supply chains, and the Coalition’s aspiration to a forest positive future, to achieve deforestation and conversion-free (DCF) supply chains. We regularly participate in FPC commodity working groups to engage in stakeholder consultations throughout the year to develop commodity roadmaps and action plans to help deliver a forest positive

future for the planet. Walmart provides thought leadership, reports progress, and information around key commodities, and helps to advance landscape-level initiatives.

**% of suppliers engaged by procurement spend covered by engagement**

**Explain the impact of your engagement on the selected action**
Our engagement in the CGF-FPC has helped contribute to stronger alignment on best practices to address deforestation and advancing conservation, restoration, more sustainable management, as well as socioeconomic benefits for communities as part of a forest-positive ambition. This is evident by the publication of the commodity roadmaps and annual reports, which reflect input from across the CGF-FPC membership.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**
Yes

**Does this engagement contribute to achieving a reported target?**
Yes, please specify target ID(s) (Goals stated in Walmart's Forests Policy and Nature Goal)

---

**Forest risk commodity**
Soy

**Are you working with direct suppliers?**
Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**
Ending deforestation and/or conversion of other ecosystems

**Type of engagement**
Innovation and collaboration

**Details of engagement**
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

**Description of engagement**
As a member of the Consumer Good Forum's (CGF) Forest Positive Coalition (FPC) we are building on the CGF's 2010 resolution to achieve zero net deforestation in our supply chains, and the Coalition's aspiration to a forest positive future, to achieve deforestation and conversion-free (DCF) supply chains. We regularly participate in FPC commodity working groups to engage in stakeholder consultations throughout the year to develop commodity roadmaps and action plans to help deliver a forest positive future for the planet. Walmart provides thought leadership, reports progress, and information around key commodities, and helps to advance landscape-level initiatives.

**% of suppliers engaged by procurement spend covered by engagement**

**Explain the impact of your engagement on the selected action**
Our engagement in the CGF-FPC has helped contribute to stronger alignment on best practices to addressing deforestation and advancing conservation, restoration, more sustainable management, as well as socioeconomic benefits for communities as part of a forest-positive ambition. This is evident by the publication of the commodity roadmaps and annual reports, which reflect input from across the CGF-FPC membership.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**
Yes

**Does this engagement contribute to achieving a reported target?**
Yes, please specify target ID(s) (Goals stated in Walmart's Forests Policy and Nature Goal)

---

**Forest risk commodity**
Cattle products

**Are you working with direct suppliers?**
Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**
Ending deforestation and/or conversion of other ecosystems

**Type of engagement**
Innovation and collaboration

**Details of engagement**
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

**Description of engagement**
As a member of the Consumer Good Forum's (CGF) Forest Positive Coalition (FPC) we are building on the CGF's 2010 resolution to achieve zero net deforestation in our supply chains, and the Coalition's aspiration to a forest positive future, to achieve deforestation and conversion-free (DCF) supply chains. We regularly participate in FPC commodity working groups to engage in stakeholder consultations throughout the year to develop commodity roadmaps and action plans to help deliver a forest positive future for the planet. Walmart provides thought leadership, reports progress, and information around key commodities, and helps to advance landscape-level initiatives.

**% of suppliers engaged by procurement spend covered by engagement**

**Explain the impact of your engagement on the selected action**
Our engagement in the CGF-FPC has helped contribute to stronger alignment on best practices to addressing deforestation and advancing conservation, restoration, more sustainable management, as well as socioeconomic benefits for communities as part of a forest-positive ambition. This is evident by the publication of the commodity roadmaps and annual reports, which reflect input from across the CGF-FPC membership.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**
Yes

**Does this engagement contribute to achieving a reported target?**
Yes, please specify target ID(s) (Goals stated in Walmart's Forests Policy and Nature Goal)

---

## F6.9

**(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.**

**Forest risk commodity**
Timber products

**Are you working beyond first tier?**
No, not working beyond the first tier

**Action(s) on forest-related issues driven by engagement**
<Not Applicable>

**Type of engagement**
<Not Applicable>

**Details of engagement**
<Not Applicable>

**Description of engagement**
At this time we are not working beyond first-tier suppliers.

**Explain the impact of your engagement on the selected action**
<Not Applicable>

**Does this engagement contribute to achieving a reported target?**
<Not Applicable>

---

**Forest risk commodity**
Soy

**Are you working beyond first tier?**
No, not working beyond the first tier

**Action(s) on forest-related issues driven by engagement**
<Not Applicable>

**Type of engagement**
<Not Applicable>

**Details of engagement**
<Not Applicable>

**Description of engagement**
In 2022, we were not working beyond first-tier suppliers. However, in 2023 we have begun work with soy traders who provide soy to producers of animal feed for our pork, poultry, and seafood/aquaculture suppliers.

**Explain the impact of your engagement on the selected action**
<Not Applicable>

**Does this engagement contribute to achieving a reported target?**
<Not Applicable>

---

**Forest risk commodity**
Cattle products

**Are you working beyond first tier?**
Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**
Ending deforestation and/or conversion of other ecosystems

**Type of engagement**
Supply chain mapping

**Details of engagement**
Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
On-site meetings with indirect suppliers

**Description of engagement**
In partnership with Safe Trace, we are actively engaged in conversations to help increase the traceability of fresh beef produced in the priority regions specified in our Forests Policy, including the development of tools to provide farm level data directly to Safe Trace via an API for immediate analysis against DCF protocols.

**Explain the impact of your engagement on the selected action**
Real-time traceability and verification of farms producing beef that enters our supply chain can alert our business of potential violations to our policy and prompt intervention for further investigation, and the potential cessation of sourcing of products from suppliers and farms engaged in deforestation related activities.

**Does this engagement contribute to achieving a reported target?**
Yes, please specify target ID(s) (100% DCF Fresh Beef target, and our Nature Goal of helping protect, manage, or restore 50M acres of land.)

---

**Forest risk commodity**
Palm oil

**Are you working beyond first tier?**
Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**
Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Other

**Details of engagement**
Other, please specify (partnering to accelerate the availability of segregated palm oil)

**Description of engagement**
We are actively engaged in conversations with palm oil traders to increase the availability of segregated palm oil to help our suppliers achieve segregation within their supply chain, as well as sending a demand signal to farmers in palm oil producing countries to become certified by RSPO standards.

**Explain the impact of your engagement on the selected action**
Potential increase in RSPO certified farms, a subsequent increase in the availability of certified deforestation free palm oil, and thus a decrease in deforestation in palm oil producing countries

**Does this engagement contribute to achieving a reported target?**
Yes, please specify target ID(s) (100% RSPO segregated certified palm oil target, and our Nature Goal of helping protect, manage, or restore 50M acres of land.)

## F6.10

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

| | Do you engage in landscape/jurisdictional approaches? | Primary reason for not engaging in landscape and/or jurisdictional approaches | Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future |
|---|---|---|---|
| Row 1 | Yes, we engage in landscape/ jurisdictional approaches | <Not Applicable> | <Not Applicable> |

## F6.10a

**(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.**

| | Criteria for prioritizing landscapes/jurisdictions for engagement | Explain your process for prioritizing landscapes/jurisdictions for engagement |
|---|---|---|
| Row 1 | Ability to contribute to/ build on existing landscape and/or jurisdictional approaches<br>Commodity sourcing footprint<br>Current and future sourcing risk<br>Opportunity to build resilience at scale<br>Opportunity to increase market access for smallholders and local communities<br>Opportunity for increased human well-being in area<br>Opportunity to participate in new markets or financing mechanisms for the agricultural sector<br>Opportunity to protect and restore natural ecosystems<br>Recognized as priority landscape by credible multi-stakeholder groups<br>Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems<br>Risk of biodiversity loss<br>Supply of commodities strategically important | We assess a variety of criteria when considering landscape and jurisdictional initiatives to prioritize for engagement, including, but not limited to:<br>• Inclusion of environmental, economic, and social objectives<br>• Ability to deliver shared value for business, suppliers, producers, and other stakeholders in the landscape<br>• Coverage for multiple commodities being produced in the landscape<br>• Ability to reach sufficient geographic scale to achieve desired impacts/outcomes<br>• Inclusion of multi-stakeholder engagement (or formal governance) with local stakeholders defining priorities and guiding implementation<br>• Integration of more sustainable management with conservation and restoration<br>• Inclusion of both on-farm and off-farm activities |

## F6.10b

**(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.**

**Landscape/Jurisdiction ID**
LJ1

**Country/Area**
Brazil

**Name of landscape or jurisdiction area**
Produce Conserve Include (PCI) - Barra do Garcas, Mato Grosso, Brazil (Araguaia Valley)

**Types of partners engaged in the initiative design and implementation**
Subnational government
International civil society organization(s)
Local producers/smallholder

**Type of engagement**
Funder: Provides full or partial financial support

**Goals supported by engagement**
Other, please specify (Environment - Natural ecosystems conserved and/or restored Production - Increased adoption of more sustainable production practices (e.g., input use efficiency and water management practices))

**Company actions supporting approach**
Engage stakeholders on importance of conservation, restoration and/or rehabilitation

**Description of engagement**
In August 2020, Walmart Foundation made a grant to The Nature Conservancy (TNC) to support a project titled: "Regenerative Agriculture and Sustainable Cattle Ranching in Mato Grosso, Brazil". This grant focused on supporting territorial governance as well as engaging stakeholders on the importance of conservation to help increase areas under more sustainable management and conservation in the Araguaia Valley in Barra do Garcas of Mato Grosso, Brazil, which is part of the broader PCI (Produce-Conserve-Include) state-level jurisdictional initiative in Mato Grosso. As a funder, Walmart Foundation provided financial resources to TNC in the form of a grant to help support these actions. The PCI initiative includes collective monitoring targets and reporting. In addition, Walmart Foundation and TNC agreed to specific internal programmatic and financial reporting requirements for the grant.

**Engagement start year**
2020

**Engagement end year**
Please specify (2022)

**Estimated investment over the project period (currency)**
515223.96

**Is a collective monitoring framework used to measure progress?**
Yes, progress is collectively monitored using a shared external framework, please specify (Yes, progress is collectively monitored using a shared external framework. PCI platform monitoring)

**State the achievements of your engagement so far, and how progress is monitored**
The grant concluded in 2022 at which time, TNC reported that 4,520 hectares were under more sustainable management and 7,269 hectares were under conservation.

## F6.10c

**(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.**

| Indicate landscape/jurisdiction ID | Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume? | Commodity | % of total production/consumption volume from this landscape/jurisdiction |
|---|---|---|---|
| Please select | Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data | <Not Applicable> | <Not Applicable> |

## F6.11

**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**
Palm oil

**Do you participate in activities/initiatives?**
Yes

**Activities**
Involved in multi-partnership or stakeholder initiatives

**Country/Area**
Please select

**Subnational area**
Please select

**Initiatives**

Tropical Forest Alliance 2020 (TFA)
Other, please specify (Consumer Goods Forum Forest Positive Coalition, LEAF Coalition, Business for Nature)

**Please explain**
In an effort to work collaboratively to stop forest loss, Walmart joined many of the world's largest manufacturers and retailers as a member of the Consumer Good Forum's Forest Positive Coalition. Through this effort, we are part of a group of companies taking action to help reduce deforestation and forest degradation from key supply chains and drive transformative change across the industry.

In November 2021, Walmart.org-- the collective philanthropic initiatives of both Walmart and the Walmart Foundation—joined the LEAF Coalition, a new public-private initiative designed to accelerate climate action by providing results-based finance to national and sub-national jurisdictions committed to protecting and restoring their tropical forests. The LEAF Coalition seeks to mobilize at least $1 billion in finance to support substantial reductions in emissions from deforestation while fostering conservation and restoration that will deliver tangible benefits for local communities and nature.

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**Forest risk commodity**
Timber products

**Do you participate in activities/initiatives?**
Yes

**Activities**
Involved in multi-partnership or stakeholder initiatives

**Country/Area**
Other, please specify (Global)

**Subnational area**
Not applicable

**Initiatives**
Tropical Forest Alliance 2020 (TFA)
Other, please specify (LEAF Coalition Consumer Goods Forum Forest Positive Coalition)

**Please explain**
In an effort to work collaboratively to stop forest loss, Walmart joined many of the world's largest manufacturers and retailers as a member of the Consumer Good Forum's Forest Positive Coalition. Through this effort, we are part of a group of companies taking action to help reduce deforestation and forest degradation from key supply chains and drive transformative change across the industry.

In November 2021, Walmart.org joined the LEAF Coalition, a new public-private initiative designed to accelerate climate action by providing results-based finance to national and sub-national jurisdictions committed to protecting and restoring their tropical forests. At COP27 in November 2022, the LEAF Coalition announced it had increased financial commitments for the purchase of high-integrity credits to over $1.5 billion. The Coalition continues to mobilize additional finance to support substantial reductions in emissions from deforestation while seeking to foster tangible benefits for local communities and nature.

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**Forest risk commodity**
Cattle products

**Do you participate in activities/initiatives?**
Yes

**Activities**
Involved in multi-partnership or stakeholder initiatives

**Country/Area**
Other, please specify (South America - Brazil, Argentina, Paraguay)

**Subnational area**
Please specify (Amazon, Cerrado and Chaco)

**Initiatives**
Tropical Forest Alliance 2020 (TFA)
Other, please specify (LEAF Coalition, Consumer Goods Forum] Forest Positive Coalition)

**Please explain**
In an effort to work collaboratively to stop forest loss, Walmart joined many of the world's largest manufacturers and retailers as a member of the Consumer Good Forum's Forest Positive Coalition. Through this effort, we are part of a group of companies taking action to help reduce deforestation and forest degradation from key supply chains and drive transformative change across the industry.

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**Forest risk commodity**
Soy

**Do you participate in activities/initiatives?**
Yes

**Activities**
Involved in multi-partnership or stakeholder initiatives

**Country/Area**
Other, please specify (South America - Brazil, Argentina, Paraguay)

**Subnational area**
Please specify (Amazon, Cerrado and Chaco)

**Initiatives**
Tropical Forest Alliance 2020 (TFA)
Other, please specify (LEAF Coalition, Consumer Goods Forum Forest Positive Coalition)

**Please explain**
In an effort to work collaboratively to stop forest loss, Walmart joined many of the world's largest manufacturers and retailers as a member of the Consumer Good Forum's Forest Positive Coalition. Through this effort, we are part of a group of companies taking action to help reduce deforestation and forest degradation from key supply chains and drive transformative change across the industry.

In November 2021, Walmart.org joined the LEAF Coalition, a new public-private initiative designed to accelerate climate action by providing results-based finance to national and sub-national jurisdictions committed to protecting and restoring their tropical forests. At COP27 in November 2022, the LEAF Coalition announced it had increased financial commitments for the purchase of high-integrity credits to over $1.5 billion. The Coalition continues to mobilize additional finance to support substantial reductions in emissions from deforestation while seeking to foster tangible benefits for local communities and nature.

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**Forest risk commodity**
Palm oil

**Do you participate in activities/initiatives?**
Yes

**Activities**
Involved in multi-partnership or stakeholder initiatives

**Country/Area**
Other, please specify (Global)

**Subnational area**
Not applicable

**Initiatives**
Tropical Forest Alliance 2020 (TFA)
Other, please specify (LEAF Coalition Consumer Goods Forum Forest Positive Coalition)

**Please explain**
In an effort to work collaboratively to stop forest loss, Walmart joined many of the world's largest manufacturers and retailers as a member of the Consumer Good Forum's Forest Positive Coalition. Through this effort, we are part of a group of companies taking action to help reduce deforestation and forest degradation from key supply chains and drive transformative change across the industry.

In November 2021, Walmart.org joined the LEAF Coalition, a new public-private initiative designed to accelerate climate action by providing results-based finance to national and sub-national jurisdictions committed to protecting and restoring their tropical forests. At COP27 in November 2022, the LEAF Coalition announced it had increased financial commitments for the purchase of high-integrity credits to over $1.5 billion. The Coalition continues to mobilize additional finance to support substantial reductions in emissions from deforestation while seeking to foster tangible benefits for local communities and nature.

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## F6.12

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?**
Yes

## F6.12a

**(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

**Project reference**
Project 1

**Project type**
Agriculture

**Expected benefits of project**
Improvement to sustainability of production practices
Other, please specify (Conservation)

**Is this project originating any carbon credits?**
No

**Description of project**
In August 2020, Walmart Foundation made a grant to The Nature Conservancy (TNC) to support a project titled: "Regenerative Agriculture and Sustainable Cattle Ranching in Mato Grosso, Brazil". This grant focused on supporting territorial governance in the Araguaia Valley of Mato Grosso, increasing the number of farmers implementing best agricultural practices, and improving traceability and market access for producers. This grant concluded in September 2022, at which point TNC reported that 4,520 hectares were under more sustainable management and 7,269 hectares were under conservation.

**Where is the project taking place in relation to your value chain?**
Project based in sourcing area(s)

**Start year**
2020

**Target year**
2022

**Project area to date (Hectares)**
11789

**Project area in the target year (Hectares)**
11789

**Country/Area**
Brazil

**Latitude**
-15.881043

**Longitude**
-52.282296

**Monitoring frequency**
Annually

**Total investment over the project period (currency)**
515223.96

**For which of your expected benefits are you monitoring progress?**
Improvement to sustainability of production practice
Other, please specify (Conservation of areas)

**Please explain**
This grant to TNC included specific spatial area targets for more sustainable agricultural management as well as conservation and protection of natural areas. TNC submitted two programmatic and financial reports and provided periodic progress updates throughout the grant period. The grant focused on implementation in the Araguaia Valley of Mato Grosso, Brazil. The latitude and longitude coordinates provided reflect an approximate location of the region, as the project was implemented in different areas. While this grant is not necessarily originating carbon credits directly, it is helping contribute to climate and nature impacts that may be included in JREDD+ credits, such as via the LEAF Coalition, which the state of Mato Grosso is currently working towards. The state of Mato Grosso spans parts of the Brazilian Amazon and Cerrado, which are outlined as priority regions in Walmart's Forests Policy for beef and soy sourcing.

## F7. Verification

### F7.1

**(F7.1) Do you verify any forests information reported in your CDP disclosure?**
No, we do not verify any forests-related information reported in our CDP disclosure, and there are no plans to do so

## F8. Barriers and challenges

### F8.1

**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

**Forest risk commodity**
Palm oil

**Coverage**
Supply chain

**Primary barrier/challenge type**
Value chain complexity

**Comment**
Palm oil value chains are highly complex, and this complexity poses barriers to eliminating deforestation and conversion from supply chains. For example, palm oil can be processed into many different forms, including fractions and derivatives, making traceability and transparency throughout the value chain challenging.

The relatively limited coverage of traceability systems, especially for smallholder palm oil producers, creates barriers to addressing deforestation and conversion. Smallholders play a key role in palm oil value chains, however, there is limited supply chain visibility to this important stakeholder group, which makes DCF implementation challenging.

The limited availability of RSPO segregated, identity-preserved, and other credible certifications and chain of custody models that can deliver verified DCF supply is an industry-wide challenge that creates barriers to progress. While significant progress has been made over the years to expand the coverage of RSPO mass balance certification, this chain of custody model does not yet allow for full traceability. In addition, while other certification schemes have been developed over the years (MSPO and ISPO), there is not yet widespread consensus that they are fully equivalent to RSPO, thereby limiting the availability of high-integrity certified material in the market.

Limited public awareness about the positive impacts of more sustainable palm oil also poses challenges to achieving DCF goals. Over the years, consumer activist campaigns have not effectively differentiated between more sustainable and unsustainable palm oil practices, which in turn, has created a misconception among some consumers that all palm oil is unsustainable and bad for nature and communities. This creates challenges to fostering greater demand for more sustainable palm oil, which thereby poses barriers to achieving DCF goals.

Regulatory controls, especially at local levels, are often not well aligned with DCF sourcing goals, which poses additional barriers to progress. Local laws often permit significant levels of legal deforestation and conversion, creating challenges to DCF implementation in supply chains.

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**Forest risk commodity**
Cattle products

**Coverage**
Supply chain

**Primary barrier/challenge type**
Value chain complexity

**Comment**
Cattle value chains are highly complex, which poses barriers to eliminating deforestation and conversion from our supply chain. For example, cattle often move between different properties as they progress through the breeding, rearing, and finishing phases of production. There can be multiple movements within each of these phases as cattle change hands through various intermediaries in the value chain. Cattle, particularly in South America, tend to be traded on a spot market, which can result in high turnover rates of supplying cattle farms, making supply chain management challenging.

The lack of individual animal-level traceability (e.g. ear tagging) at scale throughout the Amazon, Cerrado and Chaco regions creates challenges to DCF implementation. Most cattle are tracked via batch-level documentation, which means there is comingling of animals as they move between properties and through the various production phases. The lack of adequate traceability systems makes monitoring of “indirect supplying farms” challenging and creates barriers to the coverage of DCF monitoring in the value chain.

The lack of consolidated monitoring protocols for DCF sourcing, particularly in the Cerrado and Chaco, make implementation at scale challenging. In the Amazon, suppliers can utilize the Beef on Track protocol, which is supported by companies, NGOs and government, however, there is not yet the same level of agreement on DCF monitoring for cattle in other priority regions. These gaps pose barriers to addressing deforestation and conversion in cattle value chains.

Regulatory controls, especially at local levels, are often not well aligned with DCF sourcing goals. Local laws often permit legal deforestation and conversion, creating challenges to DCF implementation in supply chains. For example, in the Brazilian Cerrado, farmers are legally permitted to clear up to 65-80% of their forests and native vegetation.

Unlike other forest-risk commodities, there are no credible certification standards available at scale for cattle production systems in priority regions of South America (Amazon, Cerrado and Chaco). The lack of certification standards makes independent validation of supplier efforts to address deforestation and conversion more challenging, which creates barriers to effective implementation and reporting of DCF sourcing.

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**Forest risk commodity**
Soy

**Coverage**
Supply chain

**Primary barrier/challenge type**
Value chain complexity

**Comment**
Soy value chains are highly complex, which poses barriers to eliminating deforestation and conversion from our supply chain. For example, the majority of soy production is used as feed for livestock and aquaculture, meaning it is embedded alongside other feed inputs that make up parts of other highly complex animal protein value chains. In addition, soy oil is a highly versatile ingredient that is widely used in a range of consumer products.

The lack of traceability for soy in priority regions of South America (Amazon, Cerrado, and Chaco) creates barriers to addressing deforestation and conversion. In addition to the challenges of tracing soy through the value chain as an embedded commodity and ingredient, soy is an aggregated crop that is typically comingled with sources from various origins. This aggregation typically occurs multiple times prior to crushing further complicating traceability and transparency efforts. For example, soy can be aggregated by intermediary actors that collect from local farms, by co-operatives and other farmer organizations, in grain elevators and silos that are serve as regional collection hubs, and further aggregated on large barges for domestic transportation or international export.

The limited availability of certified material is also a barrier to addressing deforestation and conversion. There is limited availability of segregated, identity preserved or other credible chain of custody models that can deliver verified DCF soy. The limited availability of certified soy makes independent validation of supplier efforts to address deforestation and conversion more challenging, which creates barriers to effective implementation and reporting of DCF sourcing.

Outside of the Brazilian Amazon biome, which benefits from ongoing implementation of the Amazon Soy Moratorium, there is not yet adequate monitoring coverage in the Cerrado or Chaco to deliver verified DCF soy at scale. This poses challenges to achieving DCF goals for soy in these regions.

Regulatory controls are often not well aligned with DCF sourcing goals. Local laws often permit legal deforestation and conversion, creating challenges to DCF implementation in supply chains. For example, in the Brazilian Cerrado, farmers are legally permitted to clear up to 65-80% of their forests and native vegetation.

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**Forest risk commodity**
Timber products

**Coverage**
Supply chain

**Primary barrier/challenge type**
Value chain complexity

**Comment**
Timber product value chains are highly complex, and this complexity poses key barriers to eliminating deforestation and conversion from our supply chain. For example, timber products can be processed into pulp and paper, which can then be used for packaging and a wide range of consumer products.

The lack of adequate traceability systems for timber products poses major challenges to achieving DCF supply chains. A significant portion of timber products are processed into pulp and paper products and this processing often aggregates materials from multiple sources. This aggregation and mixing makes pulp, paper and timber value chains highly complex and creates significant challenges to supply chain traceability and transparency. In addition, country of origin labeling is not always required or automatically disclosed within certification programs, so tracing back to source countries is challenging. Furthermore, traceability data to sub-national levels, regions, concessions, and forestry management units is not widely available, further complicating efforts to address deforestation and conversion within value chains.

While certifications generally tend to be widely available for pulp, paper and timber products, there are limited volumes of certified material available. For example, some existing certifications lack DCF cut-off dates, creating barriers to being able to credibly measure and monitor DCF criteria. In addition, some existing certifications lack sufficient controls on uncertified materials within mixed and mass balance chain of custody models, creating barriers to being able to achieve credible DCF sourcing.

Regulatory controls, especially at local levels, are often not well aligned with DCF sourcing goals, which poses additional barriers to progress. Local laws often permit legal deforestation and conversion, creating challenges to DCF implementation in supply chains.

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## F8.2

**(F8.2) Describe the main measures that would improve your organization’s ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**
Timber products

**Coverage**
Supply chain

**Main measure**
Greater transparency

**Comment**
While many of these measures would help improve how exposure to deforestation and conversion risks are managed and addressed, the primary measures for Timber Products include greater transparency, greater supplier awareness and engagement, and improvements in monitoring and traceability systems. These measures could help overcome the key barriers and challenges identified in F8.1. For example, greater supply chain awareness and engagement could help accelerate implementation of key supplier’s DCF policies and sourcing protocols as well as pre-competitive solutions and collective action that could benefit the entire industry. Greater transparency could provide us with more visibility into our value chains and help us better identify and manage risks. Improvements in monitoring and traceability systems could help strengthen certification standards, improve how verification is implemented, and close existing gaps in chain of custody models that have hindered DCF sourcing at scale.

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**Forest risk commodity**
Palm oil

**Coverage**
Supply chain

**Main measure**
Greater transparency

**Comment**
While many of these measures would help improve how exposure to deforestation and conversion risks are managed and addressed, the primary measures for palm oil include greater transparency, greater supplier awareness and engagement, and improvements in monitoring and traceability systems. These measures could help overcome the key barriers and challenges identified in F8.1. For example, greater supply chain awareness and engagement could help accelerate implementation of key supplier’s DCF policies and sourcing protocols as well as pre-competitive solutions and collective action that could benefit the entire industry. Greater transparency could provide us with more visibility into our value chains and help us better identify and manage risks, especially with regards to the inclusion of smallholder producers. Improvements in monitoring and traceability systems could help strengthen certification standards, improve how verification is implemented, and close existing gaps in chain of custody models that have hindered DCF sourcing at scale.

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**Forest risk commodity**
Cattle products

**Coverage**
Supply chain

**Main measure**
Greater transparency

**Comment**
While many of these measures would help improve how exposure to deforestation and conversion risks are managed and addressed, the primary measures for cattle products include greater transparency, greater supplier awareness and engagement, and improvements in monitoring and traceability systems. These measures could help overcome the key barriers and challenges identified in F8.1. For example, greater supply chain awareness and engagement could help accelerate implementation of key supplier’s DCF policies and sourcing protocols as well as pre-competitive solutions and collective action that could benefit the entire industry. Greater transparency could provide us with more visibility into our value chains and help us better identify and manage risks, especially in the Cerrado and Chaco biomes. Improvements in monitoring and traceability systems could help strengthen verification approaches, expand coverage to indirect supplying ranches, and make verification of supplier DCF sourcing more efficient and effective, at scale.

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**Forest risk commodity**
Soy

**Coverage**
Supply chain

**Main measure**
Greater transparency

**Comment**
While many of these measures would help improve how exposure to deforestation and conversion risks are managed and addressed, the primary measures for soy include greater transparency, greater supplier awareness and engagement, and improvements in monitoring and traceability systems. These measures could help overcome the key barriers and challenges identified in F8.1. For example, greater supply chain awareness and engagement could help accelerate implementation of key supplier’s DCF policies and sourcing protocols as well as pre-competitive solutions and collective action that could benefit the entire industry. Greater transparency could provide us with more visibility into our value chains and help us better identify and manage risks, especially in the Cerrado and Chaco biomes, as well as for embedded soy. Improvements in monitoring and traceability systems could help strengthen certification standards and close existing gaps in chain of custody models that have hindered DCF sourcing at scale as well as improve verification approaches which would and make validation of supplier DCF sourcing more efficient and effective, at scale.

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## F17 Signoff

## F-FI

**(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## F17.1

**(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.**

| | Job Title | Corresponding job category |
|---|---|---|
| Row 1 | Chief Sustainability Officer | Chief Sustainability Officer (CSO) |

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---|---|---|
| Please select your submission options | Yes | Public |

**Please confirm below**

I have read and accept the applicable Terms