



Using Our Strengths
To Help Others



The work we do to help people live better extends far beyond the walls of our stores. We're committed to making a real difference by working to create economic opportunity, enhance the sustainability of our operations as well as the systems we operate in, and strengthen local communities. From supporting the development of our associates, suppliers and women entrepreneurs to pursuing a more affordable, secure food supply chain to building resiliency in the face of disasters, Walmart is using our strengths to promote the well-being of people and our planet. The following is an executive summary of our global responsibility initiatives and progress. To learn more, please read our full Global Responsibility Report by visiting corporate.walmart.com/2016GRR.

About this report

This report covers the global responsibility activities of Walmart's operations and the Walmart Foundation for fiscal year 2016, which ran from February 1, 2015, to January 31, 2016. For readers' convenience, we refer to this fiscal time period as "2015" throughout the report, unless otherwise noted.

Advocating for the customer



Winning with customers means being actively on their side – making their daily lives better. As we share in our Annual Report, customers should be able to shop on their own terms – in a great store or club, with a quick pickup stop on the way home from work, or with items reliably arriving at the front door. And they want to have some money left over to put toward their priorities: an experience together as a family, a special gift every once in a while, or savings for a rainy day.

It's no different with how we serve society. Our customers care about their neighbors, their communities and the planet. They want to buy products that are good for the environment and the people who made them. They want items that are safe and healthy for their families. And ultimately they want to use their dollars, pounds or yen in a way that aligns with their values and has an impact on the world. So we are not only advocating for customers when we offer low prices and convenience, but also when we help positively reshape the ways items are made, shipped and sold.

When we get it right, customers are able to shop at ease, knowing we did the work for them. They know that the products on our shelves and website were produced at a low "true cost" for all – not just in terms of being the best value, but in terms of whether they enhance the environment and the lives of all the people who helped produce them.

As you'll see in these pages, we have made significant progress toward the three big goals we laid out in 2005: to create zero waste, run on 100 percent renewable energy and sell products that sustain people and the environment. What's even more exciting is that we've also expanded their scope, as the supply chain is proving to be the biggest tool we have. It's been said that "supply chain is strategy," and that's true – it's our opportunity to get things to customers in a timely, cost-effective and sustainable way. The individual choices we make along the supply chain greatly impact the future for all of us.

So what was once largely about our own operations has shifted into helping rewire whole systems: Running on renewable energy has turned into joining the global effort to combat climate change; reducing waste has evolved into seeking a circular economy in which materials can be continually recycled; and selling sustainable products has broadened into working with suppliers and others throughout the supply chain to reduce impacts at every stage. And beyond sustainability, we've undertaken journeys to enhance economic opportunity inside Walmart and beyond and to strengthen the communities in which we operate and source.

Today we view global responsibility in these three big areas – Opportunity, Sustainability and Community. All three cut to the heart of customer advocacy and leveraging our supply chain.

We don't pretend for a moment that we have this all figured out. The issues are complex, and the work is difficult. But our role is to get up every day, roll up our sleeves and lead. As we do, we're thankful to be joined by so many great suppliers, NGOs, community groups and other stakeholders.

Ultimately, we believe that serving customers and society is the same thing. You can't have one without the other because, in the long term, their interests converge. Putting the customer first means delivering for them in ways that protect and preserve the communities they live in and the world they'll pass on to future generations.

When you put it all together, we'll enable customers around the world to save money and time, so they can invest more of both in the things they love. And we'll help make the world a better place one community at a time.

Doug McMillon

Performance highlights:

Opportunity



Invested \$2.7 billion over 2 years in wages, benefits and training for U.S. associates

Walmart and the Walmart Foundation committed \$100 million over 5 years to increase economic mobility among U.S. retail and related-sector workers



Walmart and the Walmart Foundation committed \$20 million through 2019 to support the reintegration of U.S. veterans into civilian life

1 Million +
Women farmers, factory workers and others will be trained by programs supported by Walmart and the Walmart Foundation around the world

Sustainability

75%
of global waste diverted from landfill*



More than 1 million acres of wildlife habitat protected – an area comparable to the Grand Canyon National Park

35.6 million
metric tons of greenhouse gas emissions eliminated from our supply chain, based on supplier reports

U.S. fleet efficiency doubled since 2005, saving nearly \$1 billion and eliminating nearly 650,000 metric tons of greenhouse gases in 2015

Walmart doubled our sales of local produce in the U.S. between 2009 and 2015

*Based on review of material handling and waste diversion processes in the U.S., U.K., Chile, Central America, South Africa, Japan, Mexico, Canada, Brazil and Argentina, as reported by waste vendors, food banks and stores. In cases where real numbers were not available due to industry challenges, they have been estimated based on industry-acceptable standards.

Community

\$25 million
(cash and in-kind)

Committed by Walmart and the Walmart Foundation over 5 years to improve community disaster response



1.25 million

associate volunteer hours

\$95 million +
Given through community, state giving and volunteerism grants

800+

Scholarships awarded by the Walmart Foundation to associates and dependents for higher education

Global giving

\$1.42 billion in total

\$1.1+ billion in-kind giving



\$301+

million in cash giving

87

Communities helped after disasters

Walmart and the Walmart Foundation provided **\$5.8 million** in response contributions



A snapshot

of Walmart



We save people money
so they can live better.



28
countries



11,530
stores worldwide



\$482 billion
total revenue



260 million
weekly customer visits

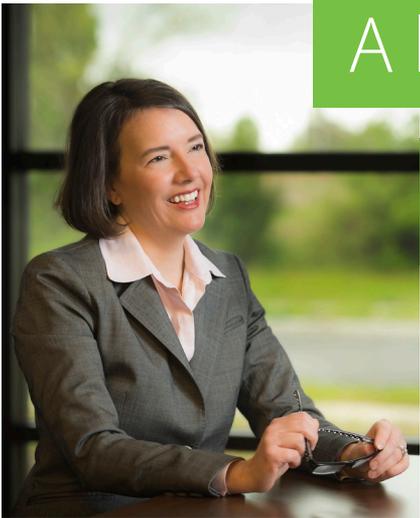


45 million
monthly Walmart.com visitors



2.3 million
associates





A letter from

our Chief Sustainability Officer



Kathleen McLaughlin
Chief Sustainability Officer
Wal-Mart Stores, Inc.

Last August, Walmart leaders joined the mayor of New Orleans

and many others to commemorate the tenth anniversary of Hurricane Katrina – a devastating event that affected the entire U.S. Gulf Coast, including hundreds of thousands of Walmart customers and associates. We remembered the heroes and the victims, sponsored a citywide day of service and led a disaster resilience symposium with the United Nations RISE (Research Initiative for Social Equity) initiative.

We also acknowledged the impact of Katrina on the past 10 years of Walmart’s engagement in addressing tough environmental and social issues. In the days after the hurricane struck, our associates worked with others on the ground to deliver critical supplies and help people find first aid and shelter, and in doing so, we realized the difference we could make by using our strengths to help others beyond our day-to-day business. Our CEO at the time, Lee Scott, challenged us to “be that kind of company” every day. He and other Walmart leaders of the day – including Doug McMillon, who had become CEO of Sam’s Club a month prior to the tragedy – set out broad aspirations for the company to do more by creating economic opportunity through our jobs and purchase orders, enhancing the sustainability of our operations and our products and strengthening our local communities.

Over the past 10 years, our associates have worked hard toward those aspirations. We have celebrated some important milestones and accomplishments and have also struggled with obstacles and failures. We have learned a lot about what works and what doesn’t when it comes to achieving lasting change.

For example, we have learned that lasting change requires collective action to reshape social and environmental systems, and that the most viable programs are those that create shared value – value for business and society. We have been privileged to work with dedicated stakeholders – including our customers, associates, suppliers, community leaders, grantees and government leaders – on ambitious efforts tackling issues ranging from economic mobility to climate change to disaster response.

Over the past 18 months, to sharpen our priorities, programs and reporting, we heavily engaged stakeholders in discussions and surveys, including a 1,750-respondent survey led by Sustainalytics. We are excited to share the resulting perspectives about societal challenges relevant for retail and stakeholder views on where and how Walmart can help.

In this report, we’ll share our approach to whole-system change in three priority arenas of Opportunity, Sustainability and Community, informed by stakeholder perspectives; our key programs and indicators of progress, including the delivery of several commitments that came due in 2015 (such as doubling fleet efficiency and reducing supply chain emissions by 20 million metric tons); some recent stories of impact; and also some of the challenges we are encountering as we go about our work.

Thank you to all who have been working with us and in complementary efforts for the benefit of all. Working together, we hope to accelerate progress in creating economic opportunity, enhancing sustainability and strengthening communities around the world.

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Using our strengths to help others

Walmart provides food, apparel and household products to hundreds of millions of customers in 28 countries around the world. We are committed to doing so in a way that creates economic opportunity for associates, suppliers and others in retail supply chains; enhances the environmental and social sustainability of supply chains; and strengthens the communities where we live and work.

For 10 years, we have been leading initiatives with our stakeholders in these arenas of opportunity, sustainability and community. We aspire to use our strengths to help others while also strengthening our business, and vice versa – reshaping the systems we all rely on to help improve social, environmental and economic outcomes.

This introduction covers:

- [Our approach to global responsibility: Shared value](#)
- [Stakeholder perspectives on societal issues, relevance for business, and how Walmart can help](#)
- [Walmart's social and environmental priorities and programs](#)
- [Performance highlights for the year](#)

The rest of the report describes our priorities and programs in more detail, including aspirations for system change and the impact we seek in business and society; indicators of progress; some recent stories of impact; and also some of the challenges we face as we go about this work.



Our approach to global responsibility: Shared value

For Walmart, unlocking the full potential of our business means that we use our strengths to support and improve the social and environmental systems upon which we all rely. We do this in six key ways:

Whole-system change. Working with others, we aspire to reshape whole systems to achieve significant and lasting improvement in social, environmental and economic outcomes. For example, enhancing environmental sustainability in retail supply chains means addressing their social and economic dimensions, too. We have placed, and will continue to place, increasing emphasis on social issues such as empowering women and supporting worker safety and dignity.

Create shared value for business and society. We seek to create value for stakeholders across business and society, because shared value enhances the quality and viability of solutions. We believe that our social and environmental programs are of interest to long-term shareholders because they strengthen the systems we rely on as a retailer.

Lead through the business. We work to integrate our social and environmental priorities into our routine business activities (such as merchandising, sourcing, store operations, logistics, human resources and technology), through leadership practices, organizational roles, operational processes and tools.

Focus on actions that draw on Walmart's particular strengths. We can make the most significant difference when we draw on our particular strengths as a retailer. These strengths include our 2.3 million associates globally, supplier relationships, purchasing in categories like food and apparel, physical assets and capabilities in logistics, marketing, operations and merchandising.

Use philanthropy to complement business initiatives. We complement and extend the impact of Walmart's social and environmental initiatives through philanthropic efforts. Through both in-kind and cash gifts, Walmart and the Walmart Foundation give over \$1 billion annually to projects that create opportunity, enhance sustainability and strengthen community.

Collaborate with others. Since we believe that collective action is essential to the transformation of systems, we shape our programs in collaboration with other leaders and stakeholders. We are also investing in enhancing the effectiveness and ease of dialogue and action across sectors through support for organizations and tools, such as the Consumer Good Forum and the Sustainability Index.



Stakeholder perspectives

At Walmart, we continually engage stakeholders to understand their perspectives, improve the effectiveness and relevance of our initiatives, increase transparency and trust and collaborate on addressing business and societal challenges.

Over the past year, to sharpen our social and environmental priorities, programs and reporting, we heavily engaged our stakeholders – customers, associates, suppliers, advisory councils, community leaders, grantees, other NGOs, government leaders and investors – in dialogues, working sessions and surveys about their perspectives on Walmart’s role in society. These included interviews and a 1,750-respondent survey conducted by Sustainalytics. The Sustainable Development Goals recently released by the United Nations also informed our discussions.

Although stakeholder perspectives varied in emphasis, there were consistent themes: While people acknowledge we live in a time of unprecedented global prosperity (in part due to retail and technological innovation, among many other factors), we also face unprecedented social and environmental challenges in meeting the needs of a growing world population.

Stakeholders reinforced their expectation that Walmart – as a leading retailer – should use its strengths in collaboration with others to help reshape social and environmental systems for the benefit of society as well as business.

The accompanying exhibit summarizes stakeholder perspectives on societal challenges, the relevance they see for businesses like Walmart and how they suggest Walmart can help.

“Walmart is expected to not only manage a significant number of sustainability topics, but to also demonstrate transformative leadership in many of them. Walmart is encouraged to invest in those areas with the greatest sustainability impact and that are most closely linked to driving business value.”

-Sustainalytics, commenting on stakeholder expectations

Summary of stakeholder perspectives

Societal changes		Business relevance	Perspective on how Walmart can help
Environmental			
Climate	Rising emissions and temperature	Cost: energy, carbon Reputation	Work to reduce energy intensity, adopt renewable energy, and reduce emissions not only in own operations, but also in supply chains, including with customers
Natural resources	Deforestation Water quality, quantity Land use, soil health Fish stocks, biodiversity	Supply security Cost structure Growth	Collaborate with suppliers and others to create more restorative supply chains in food and other commodities with less environmental impact
Waste	Landfill Resource depletion Pollution	Cost Revenue streams	Eliminate waste in own operations and help “close the loop” on waste throughout production and consumption
Animal welfare	Housing Pain management Antibiotics	Customer trust Cost	Encourage suppliers to promote “5 freedoms” in food production
Social			
Inclusive economic mobility	Cost of living Upward mobility/equality Jobs, GDP, tax base Women, diversity Access to markets	Associate engagement Productivity Growth Retention Reputation	Expand customer access to affordable food and other products through retail and e-commerce Continue to provide opportunity for associates, with the wages, upskilling and other practices that support mobility Support local manufacturing; help women-owned, diverse suppliers grow; support smallholder access to markets
Worker dignity in supply chains	Workplace safety Forced labor	Customer trust Supply security Reputation	Continue responsible sourcing practices and collaborate with others on initiatives that support healthier, safe work conditions, free from forced labor
Food security	Affordability and access Hunger Food/product safety Nutrition	Waste Cost Growth	Support continued development of safer, more affordable, accessible, healthier and sustainable food system Help increase transparency into product ingredients and production methods, while advocating for better products
Community resilience	Belonging and inclusion Natural disasters Strength of community organizations	Customer trust Associate engagement Reputation Cost	Support local community causes through volunteerism and giving Help communities prepare for and respond to disasters

Priorities, programs and initiatives



Opportunity

Increase economic opportunity

Priorities

- Enhance **economic mobility and inclusion** of associates, frontline retail workers and workers in supply chains
- Promote growth of **suppliers, local manufacturing and small businesses** – especially women-owned, diverse

Business impact

- Associate engagement
- Productivity

Societal impact

- Frontline workforce mobility
- Economic growth



Sustainability

Enhance sustainability of global supply chains

Priorities

- Reduce **energy intensity and emissions** in our operations and the supply chain
- Move to a **zero waste** future across the supply chain
- Help preserve **natural resources**, especially forests, water and land
- Help create a more **affordable, sustainable and healthy food system**
- Promote **transparency and quality** in products we sell
- Support the **safety and dignity of workers** everywhere

Business impact

- Cost of goods sold and operating expenses
- Supply security

Societal impact

- GHG, natural capital
- Food security
- Worker safety, livelihoods



Community

Strengthen local communities

Priorities

- Enhance **disaster resilience** in communities
- Develop **communities** through engagement of associates, customers and the company

Business impact

- Sales, license to operate
- Associate engagement

Societal impact

- Stronger communities
- Disaster mitigation



Opportunity

Enhancing economic opportunity

As a large global retailer, Walmart is working with others to use our strengths – our jobs, our purchase orders, our company voice, the convening power of our brand and our philanthropic investments – to create a more inclusive economic system that increases workforce mobility and economic growth in countries around the world.

We have two main programs:

Economic mobility

We aim to enhance economic mobility and inclusion of associates, retail and adjacent sector workers beyond Walmart and workers in supply chains, by:

- Providing ladders of opportunity for Walmart associates
- Promoting increased mobility in the retail sector beyond Walmart
- Supporting integration of U.S. veterans into the civilian workforce
- Empowering women in product supply chains

Business development

We aim to promote inclusive development of suppliers and other businesses, by:

- Empowering women through sourcing from women-owned businesses
- Fostering growth of diverse suppliers
- Promoting local manufacturing
- Supporting small business growth



Sustainability

Enhancing sustainability of global supply chains

Walmart collaborates with suppliers, customers, nonprofit organizations and others to enhance the environmental and social sustainability of global supply chains. We're bringing our relevant strengths to bear, including customer and supplier relationships, purchase orders, philanthropy, our voice, physical assets and capabilities in sourcing, logistics, technology, operations and marketing, to name a few, to reshape systems for the better.

We have six main programs:

Energy and emissions

We aim to reduce the energy intensity and emissions, by:

- Reducing energy intensity and emissions in our own operations
- Supporting the reduction of emissions in product supply chains

Zero waste

We aim to eliminate waste in our own operations as well as support waste reduction initiatives in the supply chain, by:

- Eliminating waste in our own operations
- Improving packaging and product design
- Expanding recycling through education and improved infrastructure

Natural resources

We aim to preserve natural resources, especially forests and water, by:

- Getting to zero net deforestation
- Promoting a quality water supply
- Conserving land

Sustainable food system

We aim to help the world feed a growing population by creating a more accessible, affordable, sustainable and healthy food system, by:

- Increasing access to affordable food
- Supporting hunger relief and education
- Enhancing nutrition
- Increasing the food supply through food waste reduction
- Improving sustainable food production

Transparency and quality

We aim to support transparency and quality in products we sell, by:

- Promoting food and general merchandise product safety
- Promoting reduction in use of chemicals of concern
- Promoting animal welfare and responsible antibiotic use

Worker dignity

We aim to support the safety and dignity of workers in supply chains everywhere, by:

- Promoting responsible sourcing practices in the global supply chain
- Focusing on safety, health and environmental compliance in our operations





Community

Strengthening local communities

We use our strengths to serve local communities in ways that go beyond our retail mission, in the face of disaster as well as day to day through the engagement of our 2.3 million associates in 10,000 communities worldwide.

Key programs include:

Disaster

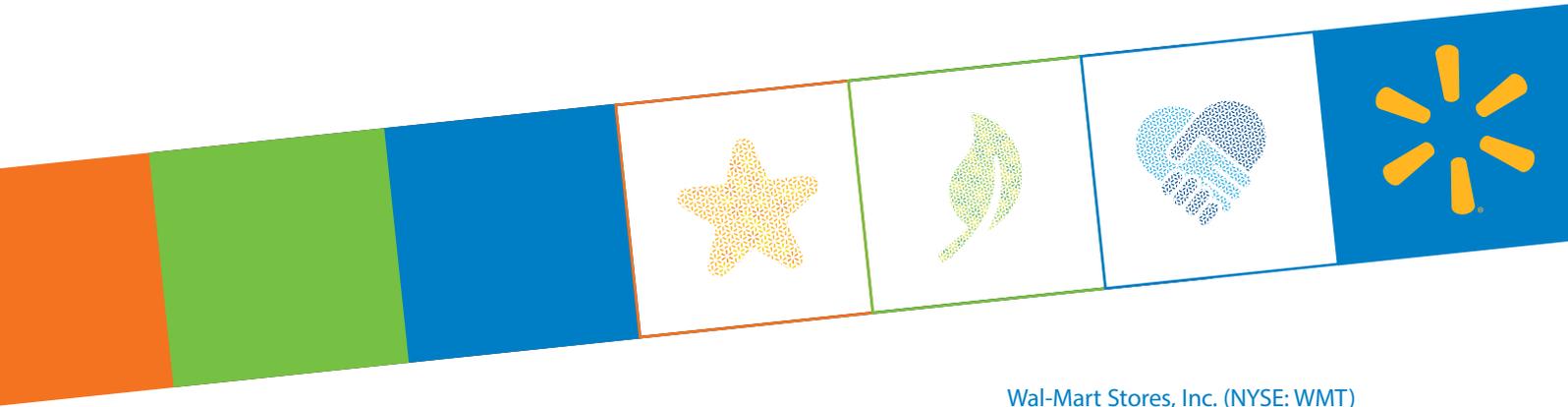
We aim to enhance resiliency in the face of disasters, by:

- Improving the speed and focus of response to disasters
- Strengthening the preparedness of communities for disasters

Community development

We aim to help develop communities through associate, customer and company engagement, by:

- Empowering associates to engage in their community
- Supporting associates through scholarships and hardship funds
- Investing in communities



mohawk windpower 
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