

Walmart

Global Sustainability Report
2010 Progress Update

**WE SAVE PEOPLE MONEY
SO THEY CAN LIVE BETTER.**





Our Mission:

**WE SAVE PEOPLE MONEY
SO THEY CAN LIVE BETTER.**

Saving people money to help them live better was the goal that Sam Walton envisioned when he opened the doors to the first Walmart in 1962. And it remains our focus today. We continue to find ways to reduce costs throughout our supply chain while bringing quality products to our shelves. That means a lot to the millions of customers who shop with us.



Corporate Business Profile

At Walmart, we serve customers and members more than 200 million times each week at more than 8,400 retail units under 55 different banners in 15 countries around the world. Walmart employs more than 2 million associates worldwide. In fiscal year 2010, we had sales of \$405 billion.

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Reporting Parameters

This Global Sustainability Report – 2010 Progress Update is designed to demonstrate Walmart's continued progress toward key initiatives and goals, and provide a snapshot of new endeavors launched between February 1, 2009 and January 31, 2010. As a global company, this progress update highlights the performance of all our international markets, as well as the efforts taking place throughout our supply chain.

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Our Business: MESSAGE FROM MIKE DUKE

When I became CEO last year, I said that we would “broaden and accelerate” our commitment to sustainability at Walmart. By that, I meant we would make sustainability a priority throughout our entire company and we would act with a sense of urgency. We hope this report demonstrates our true commitment to environmental and social sustainability at Walmart. It shows that even during the economic crisis, our company does not slow down on sustainability or even just stay the course; we redouble and strengthen our efforts.

Sustainability continues to make Walmart a better company by reducing waste, lowering costs, driving innovation, increasing productivity and helping us fulfill our mission of saving people money so they can live better. The credit for our progress goes to leaders in our business and more than 2 million associates around the world. It goes to our suppliers who have helped us make a difference that extends well beyond what we could do alone. I also want to thank the non-governmental organizations with whom we have worked closely.

One important point that we hope people take away from this progress update is that we have listened closely to the feedback on earlier reports and taken that into thoughtful consideration. We continue to ensure our definition of sustainability includes

both environmental and social commitments around the globe. We have worked to make our metrics clearer and to provide greater transparency into our data.

At Walmart, we are never satisfied because our founder Sam Walton was never satisfied. We need to constantly ask ourselves: “Are we truly leading? Are we taking full advantage of our opportunity and capacity to make a difference?” This is why our Sustainability 360 approach is so important. By working with our customers, associates, suppliers and communities, we are tapping the full potential of our company and its size and reach. In this report, you will see the results of this comprehensive approach and why we are so excited about the future of sustainability at Walmart.

Environment

The environment is an area where we have built momentum. Our three broad sustainability goals are: to be supplied 100 percent by renewable energy; to create zero waste; and to sell products that sustain people and the environment. During the past few years we have expanded these goals and made new commitments that have driven real and measurable progress on the environment. We continue to focus on efforts to improve the efficiency and lower the greenhouse gas (GHG) emissions of our existing stores.

With more than 100,000 suppliers, 2 million associates and 8,400 retail units around the world, we are working to create meaningful and positive change throughout our global supply chain.

- We have achieved a 60 percent increase in fleet efficiency in the U.S. since 2005.
- Sam's Club became the first mass-market retailer in the U.S. to offer Fair Trade Certified™ bananas, and so far sale of these bananas has generated more than \$900,000 to fund community development projects in Colombia while eliminating the need to use more than 875,000 gallons of herbicides.
- In 2009, we reduced our plastic bag waste globally by about 66.5 million pounds, which is approximately 4.8 billion bags. This represents a 16.1 percent reduction from our 2007 baseline.



We have made a difference by carrying products that save customers money through lower utility bills. By selling more than 350 million CFLs in the U.S., we will save our customers \$13 billion over the life of the bulbs. We have also continued to make great strides with the efficiency of our own operations. In 2009, we achieved our global goal to design and open a viable store prototype in every market that is 25 to 30 percent more efficient and will produce up to 30 percent fewer GHG emissions than the 2005 baseline.

As proud as we are of what we have achieved on the environment, we are just as excited about how we are building on our momentum. We recently announced an aggressive goal to eliminate 20 million metric tons of GHGs from our global supply chain by the end of 2015. This represents one and a half times our anticipated cumulative carbon footprint growth over the next five years and is equal to what 3.8 million cars emit in GHGs during one year. There are many opportunities throughout the product life cycle – from the sourcing of the raw materials, to the manufacturing of a product, to its transportation, and to how customers use it, dispose of it and recycle it.

Last July, we announced the development of a Sustainable Product Index to give manufacturers, merchants and customers the tools to make more sustainable decisions. The Sustainability Consortium, consisting of leaders from universities, suppliers, NGOs and retailers, will develop the science behind the Index and steps for moving forward. We are pleased that our suppliers are in the process of answering our Supplier Sustainability Assessment – a critical first step for the Index. The Index is driving efficiency and innovative product improvements,

which improves both business and environmental results. We are certain it's doing the same for our suppliers and even other retailers who are helping in this effort.

Responsible Sourcing

Another area where we believe we have made good progress over the past year is with our global network of more than 100,000 suppliers. We are especially grateful for the support and collaboration our suppliers have provided in the area of ethical sourcing. At our Beijing Sustainability Summit in 2008, we set aggressive goals to build a more environmentally and socially responsible supply chain. We have worked internally and with suppliers to overcome the challenges we knew we would face.

We are pleased with the progress on the goals we laid out in Beijing. For example, we announced that by 2012 we would require all direct import suppliers to source 95 percent of their production from factories that receive one of our two highest audit ratings for social and environmental practices. Today, 93 percent of our direct sourcing merchandise is produced in top-rated factories. We also announced a goal to engage one million farmers in China through our Direct Farm program. At the end of last year, Walmart China had built 28 direct farm platforms in 14 provinces and municipalities with 280,000 participating farmers, and Walmart de México and Bharti Walmart in India have established similar programs. In the years ahead, we will build even deeper relationships with the suppliers and communities that produce what we sell.



Charitable Giving

- The Walmart Foundation is committed to supporting workforce development programs and awarded more than \$6.5 million in grants to programs that help train and deploy a skilled workforce.
- In response to the tragic earthquake in Haiti in January 2010, Walmart and the Walmart Foundation provided more than \$1.5 million in financial support, including in-kind contributions such as donations of pre-packaged food kits, blankets and face masks.
- Last year, donation efforts led by Walmart Brazil resulted in more than 490 tons of food, 163,000 books, 118,000 winter clothing items and 12,000 toys being given to those in need.
- At the end of 2009, Walmart provided grants to land preservation groups to protect an additional 212,000 acres of critical habitat in the United States under its Acres for America program.

People and Their Communities

One of the biggest reasons I chose a career in retail is because I really love people, and retail is a people business. More than any other retailer in the world, I believe Walmart has the opportunity to make a positive difference in people's lives. We do this through our mission of saving people money so they can live better. We are also doing it by expanding our definition of sustainability to include people and their communities.

Associate opportunity is a major priority for Walmart. We want to make sure our associates – whether they've been with us for one year or more than 20 years – have the opportunity to acquire the tools and training they need to grow and succeed in their careers. And we continue to work to build a more inclusive workforce.

Our associates and entire company take pride in the role we play in local communities, and the Walmart Foundation has played an even bigger role over the past year. Last fiscal year, we donated \$467 million to nonprofits in the United States, which is an \$89 million increase over the previous year. And in our international markets, Walmart gave \$45 million in cash and in-kind gifts.

In these efforts, we have put a special focus on helping alleviate hunger. We donated more than 127 million pounds of food in the United States, and in Mexico we helped feed more than 26,500 children suffering from malnutrition and supported projects in 140 communities. We're proud of the \$1 million grant that the Walmart Foundation made to CARE last year. It will help empower impoverished young women through education, job-training and entrepreneurial programs

where our efforts will initially focus on local communities in Peru, Bangladesh and India.

Personal Commitment

It's a tremendous honor to represent our company and associates around the world. One of the most exciting parts of my first year as CEO has been to see the role that Walmart has played on big issues that really matter. It's clear to me that sustainability is an area where Walmart leads, but it's also an area where we are known as a leader. I see this in visits with government leaders from China to Brazil to the United States.

When we look at the world today and the trends that will shape the world in the future, we see that sustainability is no doubt one of Walmart's greatest opportunities to make a difference for our business, our communities, our customers and the planet. That's why I hope you will see in this report that we did in fact "broaden and accelerate" our commitment to sustainability over the past year. I hope you will take away a real sense of our company's long-term commitment to sustainability and my strong personal commitment as well.

Michael T. Duke
President and Chief Executive Officer
Wal-Mart Stores, Inc.

HOW WE DEFINE SUSTAINABILITY



At Walmart, when we talk about becoming a more sustainable company, we talk about investing our resources – people, time and money – into meeting our customers' needs and expectations to ensure their support for years to come. We're doing this by maximizing opportunities to have a positive impact on the environment and the communities we touch throughout our global supply chain. Sustainability is ingrained in our business strategy – we are minimizing waste, increasing efficiency and

finding ways to support the communities and suppliers that make our business successful. Associates who are part of our Sustainable Value Networks (SVNs) work to integrate sustainable solutions into every business division, every product category and every corner of our operations. And by setting sustainability goals specific to each of our international markets, we can best address challenges and opportunities throughout our business.

OPERATIONS – More than 8,400 retail units

SUPPLIERS – More than 100,000 worldwide

CUSTOMERS – Millions around the world

ASSOCIATES – More than 2 million worldwide

COMMUNITIES – Thousands around the world

**Sustainability
360**

Sustainability 360

We use an approach called Sustainability 360 to take a more comprehensive view of our business and engage our more than 100,000 suppliers, more than 2 million associates and millions of customers around the world in our sustainability efforts. Sustainability 360 lives in every corner of our business – from associate job descriptions to our interactions with suppliers – and guides our decisions based on improving the environment, supply chain and communities where we operate and source.

SUSTAINABILITY OVERVIEW

We launched our sustainability efforts in 2005, and to date have made changes that are adding real value to our business. By transitioning to renewable energy sources and improving the efficiency of our buildings and fleet, we are working to reduce our energy use and emissions. By sending our waste to recycling facilities instead of the landfill, we are making more recycled commodities available for new packaging and products. And by providing our customers with product choices that can reduce their impact on the environment, we are helping them save energy, water and money.

Our Broad Sustainability Goals



Be supplied 100 percent by renewable energy



Create zero waste



Sell products that sustain people and the environment

When we launched our sustainability program, we also set three goals that would guide our efforts to become a more responsible company. We would:

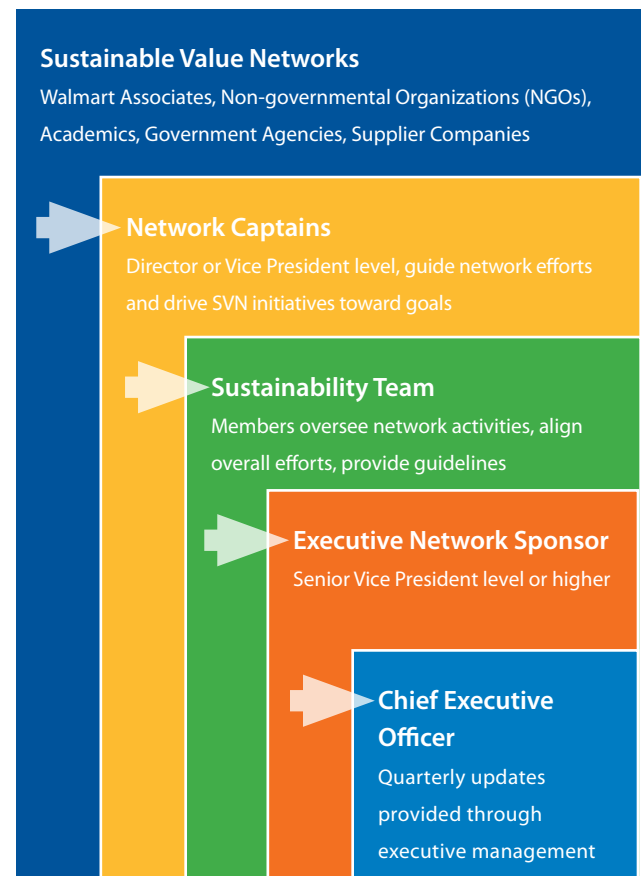
- Be supplied 100 percent by renewable energy;
- Create zero waste; and
- Sell products that sustain our resources and the environment.

These goals have acted as great guides for our business during the past four years. Our efforts, however, continue to expand and evolve as we broaden and accelerate our efforts. This year, we modified our third goal to include people and communities. Walmart touches the lives of people in cities and towns around the world – from our customers who shop at our stores and clubs, to our associates who represent our company, to the people who work for our suppliers making the products that line our shelves. As we move forward, our third broad sustainability goal will be:

- Sell products that sustain people and the environment.

In addition to updating our goals, we turned the focus of our sustainability program to increasing the transparency of our supply chain. In order to know the true impact of our business, we need to look at where products are sourced and manufactured, how they're shipped and packaged, how they are used and ultimately what happens to the product when it's disposed. In doing this, we are able to work more closely with our suppliers and, together, bring products to our shelves that our customers want at prices they can afford.

Our Sustainable Value Networks (SVNs)



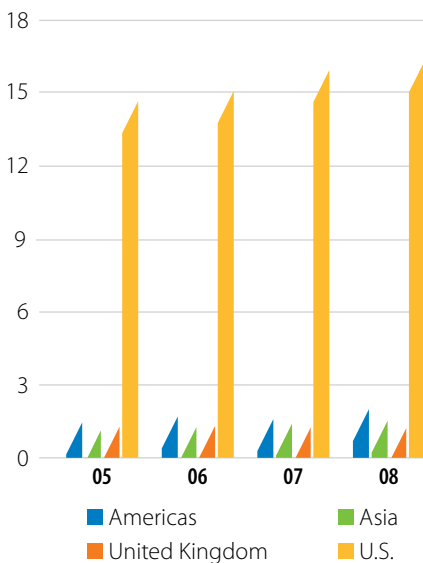
MAKING OUR OPERATIONS MORE EFFICIENT

Each week, we serve our customers millions of times, bringing them quality products at a price they can afford. We are working to make those same services available to even more people by expanding our operations around the world. As we grow, we are monitoring our greenhouse gas (GHG) emissions and working to mitigate our carbon footprint by integrating energy-saving technologies into our stores, investing in renewable energy and improving our fleet.

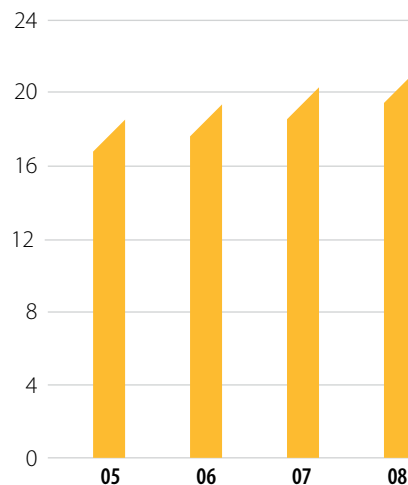
As of January 31, 2010, we had more than 8,400 stores and clubs around the world. We are proud to report that even with unfavorable currency exchange rates in 2009, we continued to see improvement in our stores' efficiency. Despite our ongoing reductions in GHG intensity, as measured by GHG emissions per million dollar sales, our company's absolute GHG footprint continues to rise as we expand our reach to help more people access affordable, quality, and sustainable goods and groceries. Recognizing the importance of absolute GHG reductions, we recently announced a new goal to eliminate 20 million metric

tons of GHG emissions from our global supply chain by the end of 2015. This represents one and a half times our anticipated cumulative carbon footprint growth over the next five years. Because the Walmart supply system is many times larger than the company's direct footprint, in many cases the biggest, fastest and most economical GHG reductions are not at the retail-level, but rather up or down the value-chain of consumer products, in raw material extraction, product manufacturing, transportation, customer use, or product end-of-life. We have discovered an enormous untapped opportunity to share our learnings with our suppliers in the process of driving progress toward our three GHG goals for our own operations: 1. Design and open a viable store prototype that is 25 to 30 percent more energy efficient and will produce up to 30 percent fewer GHG emissions by 2009 globally; 2. Reduce GHGs at our existing store, club and distribution center base around the world by 20 percent by 2012; and 3. Double our truck fleet efficiency in the U.S. by October 2015.

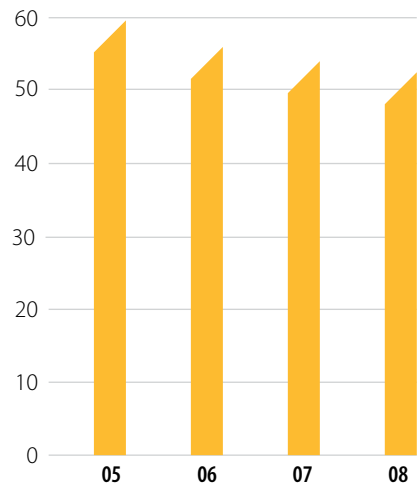
Metric Tons of CO₂ by Market
(in Millions)



Total Metric Tons of CO₂
(in Millions)



Walmart CO₂ Emissions/Sales*
(Metric Tons/\$1 Million USD)**



*During fiscal years 2006, 2007 and 2008, foreign currency exchange rates had a USD \$1.4 billion, USD \$1.5 billion and USD \$4.5 billion favorable impact on net sales, respectively. As a result, efficiency improvements when calculated as global CO₂ emissions per USD \$1 million of global net sales, appear stronger than if there had been no exchange rate impact to net sales. In fiscal year 2009, however, we experienced a USD \$2.3 billion unfavorable currency exchange rate impact. We are proud that we have been able to continue to reduce our emissions despite these market conditions. We fully expect future currency exchange rates and market conditions to impact this measurement and potentially impact future CO₂ per net sales ratios either for the positive or for the negative.

**Graph compares calendar year GHG data to fiscal year sales data.

ASDA REDUCING ITS CARBON FOOTPRINT

Our global reach enables us to spread cost-effective, clean technologies around the world, and share best practices in environmental design across all of our markets. Our ASDA division in the U.K. has leveraged this best practice sharing and integrated its own innovative solutions to become a global leader. ASDA has been successful in reducing the carbon footprint of its operations, despite growing its store portfolio. From 2005 – when Walmart began tracking GHG emissions data – to 2008, ASDA achieved a 5.3 percent reduction in its overall carbon footprint. ASDA achieved this by reducing nighttime lighting of stores and buildings, using remote monitoring to reduce energy consumption of refrigeration and HVAC systems and improving refrigerant gas loss. ASDA's efforts have been recognized by national groups in the U.K., and in June 2009, ASDA gained the coveted **Carbon Trust Standard** per the assessment criteria, as an organization that “must achieve an absolute reduction (in) the footprint or equivalent relative efficiency improvement.”



BUILDING EFFICIENCY GLOBALLY

In our 2009 Global Sustainability Report, we incorrectly stated that our goal to design and open a viable store prototype that is up to 25 to 30 percent more efficient and produces up to 30 percent fewer greenhouse gas emissions (2005 Baseline) was only for our U.S. market, when it was actually set for all of our international markets that were part of our global business in 2005. We are pleased to announce that we met this goal globally. Each market created a new prototype based on their local climate conditions. Moving forward, we will continue to look for innovative solutions to further improve the efficiency of our buildings around the world.

In 2005, we set a goal to reduce greenhouse gases (GHGs) at our existing store, club and distribution center base around the world by 20 percent by 2012 (2005 Baseline). Our most recent complete annual data from 2008 shows that we have been able to decrease the GHG emissions created by those facilities around the world by 5.1 percent, meaning that we are about 25 percent of the way toward achieving our goal.

We have achieved this current level of reduction by installing energy-efficient technologies, advanced refrigeration and renewable energy technologies into our buildings.

U.S. – In 2009, we opened four more high-efficiency (HE) buildings, including two HE.3 stores located in Youngstown, Ohio, and Sanford, Maine, and an HE.6 store and club both located in Sacramento, California. The HE.3 stores are expected to perform 25 percent more efficiently than our 2005 baseline store by including water source heat pumps to heat and cool the store via refrigeration waste heat recovery, light emitting diode (LED) lighting in refrigerated and freezer cases, a CO₂ secondary refrigeration loop that is expected to reduce conventional refrigerant use by 90 percent, and an active dehumidification system that also uses waste heat recovery. The HE.6 store and club include many of the same technologies plus an evaporative cooled, in-floor radiant cooling system designed for the dry Sacramento climate. Overall, the HE.6 buildings are expected to perform 30 percent more efficiently than our 2005 baseline store and club.



Brazil – Walmart Brazil developed several new buildings that feature the latest energy- and water-saving technologies to reduce its impact on the environment. We opened five hypermarkets in 2009 that are expected to emit 66 percent fewer greenhouse gas emissions, use 25 percent less energy and 40 percent less water than the 2005 baseline. Going forward, all new hypermarkets will be built using the same format. Additionally, we built a high-efficiency distribution center (DC) that has a solar power system on site which powers the building. The DC also features a “green wall” that uses plant growth to reflect heat and skylights in the roof to utilize natural light during working hours.

U.K. – Following on the success of its low-carbon store in Bootle, ASDA’s existing stores and buildings now emit 21.4 percent less CO₂e than they did in 2005. We achieved this reduction through both technological solutions, such as reducing voltages and utilizing more energy-efficient appliances, as well as by educating associates on how to save energy, including remembering to turn off lights or close doors on back-up refrigeration equipment. In addition to reducing the energy consumption of our existing stores, our new store prototype in the U.K. will emit 37 percent less CO₂e than the 2005 model.

Puerto Rico – In Puerto Rico, we continued to build energy-efficient stores and clubs in 2009 based on a new prototype. The construction of two new buildings in Barceloneta – a Walmart and a Sam’s Club – started in late 2009 and both are designed to be 25 percent more efficient than the 2005 baseline models.

Chile – In October 2009, D&S Walmart in Chile opened its first store that includes a green roof and green areas around the store that filter sediment from rainwater and make the water available for nonpotable uses within the building. The green areas also help cool the building, reducing the need for air conditioning, which saves electricity and money.

China – We continue to make progress on our efforts to integrate energy-efficient and water-saving technologies into our existing stores and distribution centers, as well as construction plans for new facilities in China. We expect to reduce energy consumption in existing stores by more than 24 percent compared to baseline stores in 2005. In our high-efficiency (HE) store in Beijing, we have reduced energy consumption by 35 percent and water consumption by 68 percent (2005 Baseline). We achieved these results in the HE store by testing water-saving technologies and integrating LED lighting, energy-efficient cold chests, and recycling equipment for heat and water.

Central America – Walmart Central America is making efforts to reduce the energy consumed by its stores and buildings throughout the region. In 2009, we saved 15.5 million kilowatt-hours (kWh) of electricity by investing in energy-efficient technologies for our stores. This is equal to the amount of energy used by 5,200 Central American homes annually. One way we have been able to save energy is through the installation of our first parking lot with LED lighting. The parking lot is part of the Hiper Paiz Roosevelt in Guatemala City. The project has been very successful thus far, and plans are in place to roll out the lighting in more than 350 store parking lots in the next three years.

Canada – In the fall of 2009, we met our goal in Canada to design and build new stores that are designed to be 30 percent more energy efficient compared to stores built in 2005 by opening two high-efficiency (HE) store prototypes in Waterdown and Oshawa, Ontario. These two stores are projected to be at least 30 percent more energy efficient than the 2005 baseline store. We will use some of the technologies that have proven successful in these stores to retrofit existing stores across Canada and will continue to design even more efficient store prototypes.

Renewable Energy Use

We continue to expand our investments in renewable energy by installing more solar panel power projects and purchasing electricity generated by renewable sources.

U.S. – In the U.S., we committed to expanding the number of solar panel power projects in California by an additional 10 to 20 sites by the end of 2010. By the end of January 2010, we had completed the installation of 10 of these projects on stores and Sam's Club locations in Southern California and expect to complete others in the next year. Additionally, we completed our largest solar panel power project at our Apple Valley Distribution Center in California. This project consists of more than 5,300 ground-mounted solar panels that cover nearly seven acres and is expected to generate more than 2,000,000 kilowatt-hours (kWh) – equal to the amount of electricity used by 156 average U.S. homes annually. Overall, we now have 30 solar panel power projects operating in California and Hawaii that generated 17,000,000 kWh of electricity in 2009.

Our first year of purchasing wind-generated power from Duke Energy's Notrees Wind Farm in Texas for more than 360 Walmart facilities in Texas (including stores, clubs, distribution centers as well as other facilities) was a success. This wind power purchase was one of the largest renewable power purchases among retailers, and generated more than 180 million kWh of renewable power last year. We will continue the partnership through 2012 and look forward to additional developments in wind power and other renewable technologies.

Puerto Rico – This year, Walmart Puerto Rico teamed up with SunEdison, North America's largest solar services provider, to announce plans to deploy rooftop solar power systems at stores in Caguas, Manatí and Ponce Baramaya, and Sam's Club locations in Ponce and Rexville, Bayamon. The project will be expanded to 23 other stores during the next five years and is expected to generate approximately 4,700 kilowatts (kW) of power when complete. This project will make us the first retail company on the island to install solar power systems. Overall, it will be the largest solar power project in Puerto Rico's history. The first five projects are expected to be complete in April 2010.

Mexico – During 2009, Walmart de México continued to increase its use of renewable energy by opening its second high-efficiency store that uses solar power and committing to use energy produced by a wind park. The solar panels at Sam's Club Cola de Ballena, located in La Paz in the state of Baja California Sur, are expected to produce 20 percent of the electricity used by the unit and prevent 140 tons of CO₂ from being emitted into the atmosphere every year. In December 2009, construction of Mexico's first wind energy park for a retailer was completed in Juchitán, Oaxaca. The park began supplying clean energy to 348 Walmart de México units at the beginning of 2010, which will reduce approximately 137,240 tons of CO₂ emissions. Now, 27 percent of the energy we use in Mexico is generated by renewable resources based on Mexico's energy generation mix.*

*In Mexico, we have not retained the Renewable Energy Credits (REC) associated with our wind and solar purchases. As the global renewable energy and REC markets evolve, Walmart continues to examine REC and other environmental attribute retention, sales and purchases across our global markets to better understand and implement best-in-class, conservative approaches that not only have environmental integrity, but also speed the scalability of emerging clean technologies globally such as wind and solar.

Fleet Improvements

We also continue to make improvements to our fleets in the U.S., Japan and in the U.K. that are reducing our energy and carbon footprint.

U.K. – In 2009, ASDA met its goal to have its fleet* emit 40 percent fewer carbon emissions – measured by volume of cases shipped – than its fleet emitted in 2005. We were able to do this through our “Fewer and Friendlier Road Miles” program that maximizes technological innovations to improve the efficiency of our trucks and driver style that, in turn, improve fuel efficiency. We also shipped more goods by rail and fewer by truck, and were able to eliminate miles traveled through a combination of network re-engineering, as well as increasing backhauls and fronthauls. ASDA delivered more than 40 million more cases in 2009 than in 2008** while eliminating almost 9 million miles. Our fleet efficiency improvement from 2005 to 2009 in the U.K. allowed us to avoid emitting more than 81,000 metric tons of CO₂ equivalent in 2009.

Japan – In 2006, Seiyu set a goal to reduce the amount of fuel required to carry one ton of goods one kilometer by 25 percent by 2012. Between 2006 and 2009, we achieved this goal by transporting more than 29 percent more goods over the same amount of distance by using more efficient routing and loading techniques for trucks, and by consolidating distribution centers and deliveries.



U.S. – In 2009, the Logistics Division continued its efforts to double the efficiency of the U.S. fleet by 2015. By putting significant effort into reducing the miles driven and loading trailers more effectively, we were able to improve fleet efficiency by 60 percent compared to the 2005 baseline fleet. Including all carriers, 77 million more cases were delivered in 2009 than the year before while eliminating more than 100 million miles. By driving fewer miles, our fleet avoided emitting approximately 145,000 metric tons of CO₂ into the atmosphere.

CALCULATING FLEET EFFICIENCY IN THE U.S.

In the U.S., we calculate our fleet efficiency by first dividing the number of miles we traveled by the average fuel efficiency we achieved in our trucks as measured in miles per gallon. This leaves us with the amount of fuel we used to travel those miles. We next take the number of cases we delivered during the same time period and divide it by the amount of fuel we used to deliver the cases.

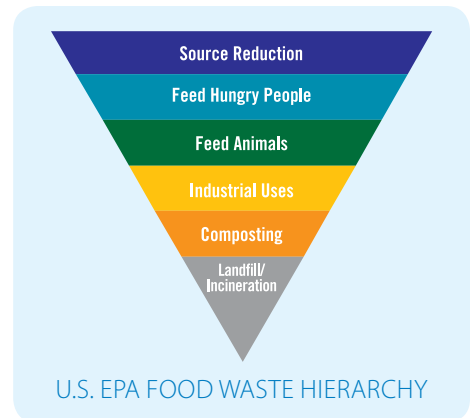
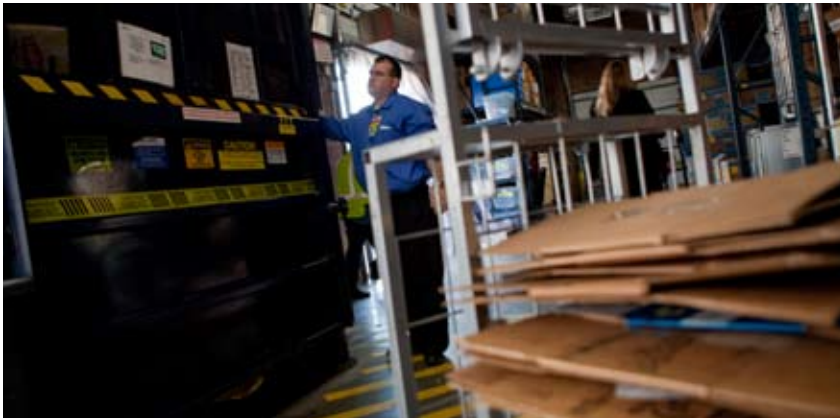
We calculate our fleet efficiency using the following equation:

$$\frac{\text{Number of Cases Delivered}}{\text{Number of Miles Traveled Miles/Gallon}}$$

*Last year's global sustainability report inaccurately said "truck fleet." ASDA calculates its fleet efficiency by including outbound freight on both trucks and rail.

**At the time this report was printed, December 2009 data was not available, therefore, we compared the 12-month period December 2007–November 2008 to December 2008–November 2009.

WASTE



As a company, we are working to reduce the amount of waste generated by our facilities. To do this, we are finding new solutions for excess food and materials that result as a regular part of our business, as well as working with our suppliers to improve product packaging.

U.S. – In 2009, we started using the U.S. EPA Food Waste Hierarchy to guide our efforts for identifying solutions for excess food at our stores and clubs. Today, the majority of the excess food is donated to the Feeding America program. Feeding America manages incoming food and delivers it to food banks in every state throughout the U.S., making it a great partner for Walmart. In 2009, we donated more than 127 million pounds of food to the program, which was distributed to families in need across the nation.

In addition to our food donation efforts, we continued to improve our recycling and waste redirection efforts. From February 2009 through January 2010, we redirected more than 64 percent of the waste generated by our stores and Sam's Club facilities. In 2009 alone, we recycled more than 1.3 million pounds of aluminum, 120 million pounds of plastics, 11.6 million pounds of mixed paper and 4.6 billion pounds of cardboard. Throughout 2010, we will continue to test and measure alternative uses for the commodities we generate.

We have also worked to make our paper practices more sustainable. We are in the process of reducing the number of store reports that are automatically printed. On an annual basis, we expect that this will eliminate the printing of 350 million pages and create savings of \$20 million.

Puerto Rico – In Puerto Rico, we have been able to achieve a 77 percent recycling rate at all of our facilities. We have also established an organic waste redirection project in seven Amigo stores and have a recycling program for customers and the local communities we serve. Overall, our efforts have prevented 38 million pounds of materials from being sent to landfills.

Japan – Seiyu has taken several measures to reduce waste and promote recycling. All Seiyu stores are sorting store-generated waste into 12 categories, 10 of which are recyclable (some stores sort waste into fewer categories due to the limits of the local infrastructure). As a result of the effort, in 2009, we were able to recycle more than 82 percent of our store waste in Japan.

Argentina – Together with Coca-Cola, Walmart Argentina launched a campaign to recycle PET bottles. Customers were invited to bring their plastic bottles to recycling stations at several Walmart stores throughout the country. The bottles were then sent to companies which recycled the bottles into playground equipment that was donated to schools.

Brazil – In 2007, Walmart Brazil established a program with Coca-Cola and has installed 308 recycling stations in its stores for customers to deposit their plastic bottles.

Chile – D&S Walmart in Chile improved recycling centers in many of its stores in 2009 to enable customers to recycle paper, cardboard, glass, plastic bottles, Tetra Pak, cell phones and plastic bags. One store even added recycling for batteries, CDs, DVDs and ink cartridges.

Central America – In 2009, Walmart Central America increased the amount of plastic and cardboard it recycled by 10 percent. In doing this, we saved more than 248,000 trees and prevented the use of 19,300 barrels of oil.

Canada – In 2008, Walmart Canada surpassed its goal to reduce waste produced by its stores across the country by 65 percent. Since then, we have been finding ways to reduce our waste even further. At our high-efficiency (HE) store in Waterdown, opened in September 2009, we have been able to reduce waste by more than 80 percent. The techniques used at this facility, once refined, will be replicated at other stores.

WORKING TO REDUCE PLASTIC BAG WASTE



Around the world, our stores continued to improve on our company-wide goal to reduce plastic bag waste by 33 percent (January 1, 2007 – December 31, 2007 Baseline). Campaigns were started to reduce customer plastic bag waste, increase plastic bag recycling and introduce more reusable bag options to stores all as a part of this effort. In 2009, we reduced our plastic bag waste by approximately 66.5 million pounds, which is approximately 4.8 billion bags. This represents a 16.1 percent reduction from our baseline.

U.S. – In January 2010, we began a test program by only offering reusable bags at three California stores. Instead of plastic bags, customers can choose to bring their own reusable bag or purchase a reusable bag for 15 cents or a larger reusable bag for 50 cents. We have expanded the number of stores in California that feature the 15 cent bag and are monitoring customer reactions.

Brazil – In 2009, Walmart Brazil reduced its plastic bag waste by approximately 10 percent, the equivalent of 138 million plastic bags or 1.1 million pounds of plastic. We were able to accomplish this by selling more than 2 million reusable bags, using cardboard boxes at checkout stands instead of plastic bags and giving customers who choose not to use plastic bags to carry their purchases home a discount on their final bill.

Japan – Seiyu has been working to reduce plastic bag waste through customer and associate engagement and improved operations. Since 2007, we have been able to reduce our plastic bag waste by more than 10 percent. Additionally, more than 50 percent of customers are using reusable bags for their shopping.

Chile – In 2009, one of our D&S stores in Chile launched a pilot program to determine the feasibility of using a closed-loop system to recycle customers' used plastic shopping bags collected in bins at the store into new plastic shopping bags. The pilot program successfully developed new bags containing 70 percent postconsumer recycled plastic. This is the first time a program of this type has been tried in Chile, and the program was so successful that plans are in place to roll it out to all D&S stores in 2010.

China – In 2008, the Chinese government launched efforts to curb the use of disposable plastic shopping bags. We supported this effort by offering customers a free reusable bag for a limited time. As of the end of 2009, we have been able to reduce our plastic bag waste in China by more than 69 percent.

PACKAGING



Since launching our packaging scorecard in 2008 to rate suppliers on the sustainability of their packaging, we have seen our suppliers making noticeable changes to their product packaging. More customers are taking home products packaged in more sustainable materials, that have been transported using less fuel, or that have been created using less energy and fewer natural resources. We are very proud of our suppliers' efforts thus far. To date, more than 329,000 items we carry at Walmart and 11,000 items that we track at Sam's Club have been entered into our packaging scorecard.

In order to accelerate our progress toward reducing packaging in our supply chain by 5 percent by 2013 (2008 Baseline), this year we expanded the use of our packaging scorecard to Canada and Mexico. To help integrate the scorecard into those markets, we established a Packaging Sustainable Value Network (SVN) in each country. Mirroring our U.S. Packaging Network, these SVNs include membership from the government, academia, suppliers and NGOs. By January 2010, suppliers in Canada and Mexico had been informed on the scorecard and are in the process of adding their product packaging information into the system. We expect by the end of 2011 that buyers in Canada and Mexico will be able to use the information to influence their purchasing decisions.

U.S. – In 2009, our U.S. Packaging and Waste Networks partnered with Pratt Industries, a leading paper and packaging company, to make our private label deli pizza boxes out of

recycled cardboard – some of which comes directly from the back of our stores and clubs. Overall, the recycling effort has saved us money and increased our use of recycled cardboard. By using recycled cardboard for these pizza boxes, we have redirected 8,600 tons of cardboard from landfills and saved 125,000 trees.

U.K. – ASDA has made considerable progress in reducing the packaging of its private label products. In 2009, we achieved a 26 percent packaging reduction on select private brand products compared to 2005. Key products that had changes in packaging include laundry detergent, from which 55 percent of the packaging was removed, and baked beans, which were changed from a can to a Tetra Pak – similar to a paper carton – saving 68 percent of packaging.

Japan – Seiyu has changed its private label packaging on fresh-cut fruits and salads from PET plastic to corn-based PLA packaging. As a result, the total weight of the package was reduced by more than 25 percent and the cost of the package was reduced by approximately 13 percent, saving us 18 million yen (more than USD \$195,000) every year.

Brazil – In 2008, Walmart Brazil created a project called End-to-End, which analyzes the life cycle of products and works with suppliers to develop more sustainable products. In 2009, this project resulted in 10 new or redesigned products that reduced packaging materials or utilized recycled materials for the packaging.

SUSTAINABILITY INDEX



At our July 2009 Sustainability Milestone Meeting, we announced the development of a Sustainable Product Index that would drive product innovation, bring greater transparency into the supply chain, and evolve into a tool for merchants, manufacturers and customers to use as a source for information on the sustainability of a product. The development of the Index will occur through several stages, and we expect it will be completed in the next five years.

The first step in developing the Index took place just after the announcement when we distributed a Supplier Sustainability Assessment to our suppliers. The assessment asked suppliers 15 questions on four areas, including energy and climate, natural resources, material efficiency, and people and community. Using the information gained from this assessment, we are identifying the suppliers who are instrumental to our sustainability progress, as well as those who need greater support in building a more sustainable business.

While we distributed the Supplier Sustainability Assessment, we also became a founding member of the Sustainability Consortium, an independent group of scientists and engineers from leading academic research institutions around the world who engage with other researchers from the NGO community, government agencies, and the retail and industrial sectors. The Consortium will be responsible for building and maintaining a global database of information on the life cycle of products – from raw material use to disposal. The data compiled and processed by the Consortium will act as the backbone for the development of the consumer-facing Index tool.

When the database is complete, the Index will use the information to label products with a consumer-friendly rating system which customers can use to compare the sustainability of similar products. While this rating system is still in discussion, the goal of the Index is to empower customers to make purchasing decisions that have less impact on their homes, environment and communities around the world.

GreenWERCS™



Improving Chemical-Based Products

Chemicals are a part of modern living. Most of the products we use in our everyday life contain chemicals of one kind or another. While all of our consumer products are designed to be safe for their intended purpose, encouraging our suppliers to use more environmentally preferable chemicals will have a positive impact on the global supply chain. With thousands of products on our shelves that contain chemicals, identifying which chemicals may be less preferable is, without question, a challenging task. One of our goals is to drive the development and sale of products that are better for the environment and for our health. To help reach this goal, we developed an internal team that identifies chemicals of concern and encourages suppliers to explore and bring to market products that contain alternatives to the chemicals we identify. By working closely with our suppliers, we are tackling this challenge and seeing progress.

As part of this effort, in May 2009, we unveiled the initial version of the GreenWERCS tool which is designed to assess the composition of chemical-based products on our shelves, screening them for chemical ingredients that could have adverse environmental impacts. Suppliers now have access to the tool to review their products in detail, and soon our buyers will have the opportunity to use this data to inform their purchasing decisions.

Encouragingly, initial results from the GreenWERCS tool showed that more than 50 percent of the chemical-intensive products on our shelves contain no ingredients of concern as identified by the Chemical Intensive Product Sustainable Value Network (SVN). The tool, however, also helped us identify suppliers whose products do contain chemicals of concern, and we are actively working with them to identify alternative chemical components. Moving forward, we will continue to work with suppliers to reduce the initial list of chemicals of concern from their products and move toward using more environmentally preferable chemicals.

SELLING MORE ENVIRONMENTALLY RESPONSIBLE PRODUCTS

Wood and Paper Products

In 2009, the Wood and Paper SVN in the U.S. continued to focus on increasing the supply chain transparency of products in this category from the forest where the product is sourced to the point when it's placed on a Walmart or Sam's Club shelf. We were able to increase the number of items that carry a third-party certification that ensures the product was developed with responsibly sourced resources. In furniture, 25 percent of wood items sold at Walmart and Sam's Club have received third-party certification. In Walmart frames, 35 percent of the wood items are certified.

Energy-Efficient Products

As of January 2010, the Bureau of Energy Efficiency in India is requiring select electrical appliances sold in India to meet an energy rating. Bharti Retail, our franchisee retail partner in India, is selling products in accordance to these standards by labeling products on a scale between one and five for energy efficiency. The products include refrigerators, tubular fluorescent lamps, air conditioners, ceiling fans, electric geysers and color televisions.

Removing Phosphates Throughout the Americas

In 2009, we committed to reducing the amount of phosphates contained in laundry and dish detergents that we carry in our stores in the Americas region – Canada, Mexico, Central America and South America – by 70 percent by 2011 (2009 Baseline). While some countries, such as the U.S., have regulations in place to limit the amount of phosphates suppliers can use in their products, others do not. This presents us both with the challenge and opportunity to work with our suppliers in countries where regulations are not present and help them through the process of finding alternatives to phosphates for their products. So far, our Central American market has reported that 29 percent of the laundry detergents it sells are phosphate-free. We look forward to seeing progress from our other markets as they work toward this goal.

Purchasing Locally Grown Produce

In October 2008, Walmart China announced that it would engage one million farmers in a Direct Farm Program by 2011. This program establishes farmer cooperatives that Walmart purchases produce from directly, removing the middleman

and resulting in higher returns for farmers and lower retail prices for the customers. By working directly with the farmers, we are able to transfer knowledge on sustainable growing techniques and food safety. With this relationship, we have been able to raise the quality and freshness of both conventionally farmed and organic produce. As of the end of 2009, we have built 28 direct farm platforms in 14 provinces and municipalities with 280,000 participating farmers in China.

Some of our other regions have launched similar programs. In Mexico, we buy 84 percent of our produce from Mexican producers as of November 2009. Bharti Walmart, our joint venture company in India, launched a Direct Farm Program in 2009. Currently, they are working with 100 farmers across seven villages in the state of Punjab to teach them modern farming techniques, including safe and proper use of pesticides and fertilizers, raising seedlings, irrigation, weed control, spacing planting dates and planting methods. They also provide the farmers access to the marketplace to sell their crops. Bharti Walmart is receiving assistance from Bayer Crop Science, Nunhems and the Punjab Agricultural University on the Direct Farm Program.

BRAZIL SUSTAINABILITY SUMMIT

On June 23, 2009, Walmart Brazil gathered more than 300 suppliers and 200 NGOs, as well as representatives from government agencies, partners and associates to announce a series of commitments that would improve the supply chain, the environment and local communities. In addition to announcing goals to integrate the packaging scorecard into its operations and to reduce phosphates in soaps and laundry detergents, Walmart Brazil announced its commitment to several pacts, including:

- **Timber Pact** – Promotes the financing, production, use, commercialization and consumption of forest timber and products that only come from sustainable sources.
- **Soybean Pact** – Establishes restrictions for financing, production, use, distribution and consumption of soybeans (in raw or processed forms) sourced in illegal deforested areas in the Amazon.
- **Pact for Eradication of Slave Labor** – Establishes commercial restrictions for companies and/or people identified in their supply chain that use degrading work conditions that could be characterized as slave labor.
- **Livestock Pact** – Signatories agreed to discontinue the financing, use, distribution, commercialization and consumption of livestock products that have illegal practices being used anywhere in its supply chain, from deforestation to slave-like labor. Also requires beef suppliers to provide verification that products sold by Walmart do not come from deforested areas in the Amazon.



SELLING MORE SOCIALLY RESPONSIBLE PRODUCTS



Fair Trade Bananas at Sam's Club

In October 2007, Sam's Club became the first mass-market retailer in the U.S. to offer Fair Trade Certified™ bananas. As of December 31, 2009, our sale of these bananas has generated more than \$900,000 to fund community development projects in Colombia while eliminating the need to use more than 875,000 gallons of herbicides. One of the farms we source from, the El Cortijo Farm, has used some of its Fair Trade premium funds to educate ninth and tenth graders from two local high schools about protecting the environment and to involve these youths in reforesting the banks of the Zungo River, which runs through their community and borders El Cortijo farm.

Palm Oil

In 2009, ASDA became one of the first members of the Unilever-Greenpeace Sustainable Palm Oil Coalition. This coalition helps companies shift their sourcing of palm oil to sustainable sources. We have committed that by 2015 all palm oil used in our products in the U.K. will be from sustainable sources. We also support the Green Palm Trading Platform by purchasing certificates that support sustainable palm oil production for all of our café oils at ASDA.

Apparel Progress

In the U.S., our Textiles Sustainable Value Network (SVN) worked with many NGOs and industry experts to develop a toolkit to help apparel suppliers integrate sustainability and responsible sourcing practices into their everyday business. To date, we have produced Best Practices Guides for suppliers in cut and sew factories and dye houses, focusing on packaging, waste scrap reduction and recycling, energy and greenhouse gases, water use efficiency, and social and ethical practices. Supplier reactions to the guides have been extremely positive, and our hope is that they will serve as a catalyst for our suppliers to become even more sustainable.

MANY PATHS TO A MORE SUSTAINABLE FUTURE

reducing herbicides
educating youth
reforestation
sustainable sourcing
responsible packaging
waste scrap reduction
recycling
water use efficiency

SUPPLY CHAIN IMPROVEMENTS

A woman with dark hair, wearing a blue cardigan with floral embroidery, stands in a field of artichokes. She is holding several artichokes in her hands, looking directly at the camera with a slight smile. The background shows a lush green field with trees in the distance.

Throughout 2009, we made significant progress toward the supply chain goals we laid forth at our Beijing Sustainability Summit in October 2008. Additionally, we have updated our auditing system to increase the transparency of our supply chain and better identify the suppliers who need assistance in improving their factory ratings. We continue to participate in collaborative efforts with other retailers that advance our goals to build a more sustainable and transparent supply chain.



BEIJING SUSTAINABILITY SUMMIT

In 2008, we set aggressive goals to improve the transparency of our supply chain. In the past year, these goals have enabled us to work more closely with our suppliers and obtain a better understanding of their sourcing and manufacturing processes, and actively work to build a more transparent and responsible supply chain. In doing this, we gained a better understanding of our own business and have surpassed many of our goals in this area.

Beijing Sustainability Summit Goals and Progress-to-Date

Goal	Progress
Compliance and Beyond: Work with suppliers who share our commitment to being socially and environmentally responsible	
We will require that all direct import, nonbranded and private label suppliers declare that their factories are compliant with local social and environmental regulations by the end of 2011.	In fiscal year ending 2010, we sent all U.S. suppliers of private label, direct import and nonbranded goods the declaration of compliance for their consideration. U.K. and Canada suppliers are in progress.
We will require that by 2012 all direct import suppliers source 95 percent of their production from factories that receive one of our two highest ratings in audits for environmental and social practices.	Ninety-three percent of our direct sourcing merchandise is produced in top-rated factories.
Transparency: Increase transparency within our supply chain	
By the end of 2009, Walmart U.S. will require that all direct import suppliers, along with all suppliers of private label and nonbranded products, provide the name and location of every factory they use to make the products Walmart sells.	We facilitated the disclosure of 100 percent of our direct supplier factories, and 100 percent of all factories used to produce private label and nonbranded merchandise.
Safety and Quality: Achieve higher standards of product safety and quality	
We will work with suppliers to drive customer returns on defective merchandise virtually out of existence (less than 1 percent) by 2012.	Throughout 2009, we reduced our customer returns on defective merchandise to 1.97 percent. In 2009, this effort included Factory Capacity and Capability Audits (FCCA) for expanded groups of supplier factories, increasing our focus on categories and suppliers that have been identified as having high return rates, and taking an earlier involvement in technical development, ensuring the right production methods for the right products.
Efficiency: Improve energy efficiency in supplier factories	
We will partner with suppliers to improve energy efficiency by 20 percent per unit of production by 2012 in the top 200 factories in China from which we source directly (2007 Baseline).	Within our efforts to help factories improve their energy efficiency, to date we have established 119 factories that have demonstrated greater than 5 percent improvement in efficiency.

AUDIT PROGRAM TRANSITION

In 2009, we implemented our new Supplier Development Program (SDP) that transitions factory auditing to certified companies and enables our team to focus their efforts on improving supplier factories. Our Ethical Sourcing team also worked closely with sourcing and merchandising organizations to improve our ability to select factories that meet our highest audit ratings for the production of Walmart merchandise.

The SDP has proven to be very successful, and to date, we have collaborated with 57 strategic suppliers that have the ability to influence 515 factories on environmental and social standards that need to be adhered to in factories. Part of our SDP was the launch of our Orange School Plus program (OSP), which has helped 564 supplier factories – 12 percent of our direct import product volume – move from an orange factory rating (one of our lowest ratings) to a yellow or green factory rating (our two highest ratings).

57
STRATEGIC SUPPLIERS
INFLUENCE
ENVIRONMENTAL AND
SOCIAL STANDARDS AT
515
FACTORIES

Progress in Our Auditing System

2009 Progress	Detail
Migration of internal Ethical Sourcing auditors from auditing role and responsibilities to supplier development role and responsibilities	All Ethical Sourcing auditors are now trained and tasked for either supplier development or special investigation/validation functions
Utilization of third-party audit firms	Since April 2009, all standard audits are being conducted by approved third-party auditing firms
Prequalification of all direct import factories	All direct import factories brought into the program in 2009 were required to complete a prequalification process, including attaining green or yellow audit rating status
Build alignment with Direct Import Sourcing Team through monthly Key Performance Indicator (KPI) meeting	Consistent communication and clarity of social performance metrics have allowed sourcing teams to choose suppliers with solid records, allowing us to achieve our Ethical Sourcing goals
Global Social Compliance Program partnership	Continued development of Global Social Compliance Program (GSCP) tools and process adoption, including environmental tools
Supplier Development Team training program	Enhanced training for supplier development specialists utilizing third-party experts
Investigation and Audit Validation Team training program	Enhanced techniques for audit specialists and utilizing third-party experts
Environmental Compliance training program	“Train the Trainer” coursework in factory environmental criteria evaluation and utilizing third-party experts

Systemic Challenges By Region

Each operating region within the Ethical Sourcing program faces specific challenges stemming from conditions as varied as the regions themselves. We strive to understand the root causes that bring about these challenges.

Region A

Indonesia, Cambodia,
Malaysia and Vietnam



The main concerns identified within this region are the interpretation of local regulations such as environmental, health and safety concerns, overtime hour violations and Right of Inspection difficulties.

Region B

India and Sri Lanka



In this region, the use of contract labor that is not tracked and recorded appropriately leads to high potential for excessive overtime and nonpayment of wages and benefits. Persistent issues include inconsistent time-keeping practices and inadequate health and safety management. Suppliers with factories in this region have responded well to training and development programs.

Region C

Europe and Turkey



The region is characterized by large variances between Western and Eastern Europe and Turkey. Small facilities in Western Europe often have poor record-keeping and management practices. In Eastern Europe and Turkey, challenging issues include nonpayment of wages, excessive overtime, discrimination and unsafe working conditions.

Region D

Far East



Many factories faced challenges in production planning due to the increase in order volume, specifically urgent order volume from different buyers after the economic crisis. More overtime hours resulted from the pressure of urgent shipments and a limited workforce. As we continue to develop and integrate our environmental criteria, we face challenges with factories that are not yet in compliance with all requirements. This will take time to pursue further development and resources for investment in improved systems and equipment.

Region E

The Americas



The challenges we faced in the region were primarily related to time systems, wages and employment practices. In fresh produce packing facilities, accurately recording working hours and/or production rates per employees in a systematic way remains a challenge as many existing systems and practices make it difficult to calculate, trace and determine if workers are correctly compensated for the work completed. Additionally, effective systems for personal detail identity verification are still an area of opportunity for development.

Region F

Middle East, Africa, Bangladesh
and Pakistan



In this region, we faced challenges with undeclared subcontracting, and suppliers' manipulation of records systems stemming from issues such as poor production planning, capacity and urgent shipments.

INTERNAL PURCHASING PRACTICES ASSESSMENT

In addition to working with our external partners, we recognize that we must address our internal practices. The Ethical Sourcing team partnered with the Apparel, Home, Hardlines and Toy Departments to gain an understanding of the relationship between Walmart's buying practices and factory working

conditions. We are now reviewing the assessment findings with members of leadership in sourcing and merchandising and discussing ways to strengthen Walmart's purchasing practices. We are also building a training module for our team on responsible sourcing.

INDUSTRY COLLABORATION

Collaboration between retailers and leading brand companies can be very important, especially when it can help alleviate "audit fatigue" among suppliers. We are participating in several industry groups that are enabling us to obtain audit information on factories around the world while allowing our suppliers to make improvements that are needed to make their businesses more sustainable.

• **The Global Social Compliance Program (GSCP) –**

This program is a key component of our Ethical Sourcing Program at Walmart. As founding members of the GSCP, we seek to create work environments where workers across our supply chain are treated fairly and respectfully in accordance with local laws and regulations. The active participation of numerous brands and retailers in the GSCP demonstrates a shared commitment among members. The GSCP fosters collaboration, works to reduce duplication of audit efforts and increases capacity building at factories. Through the GSCP, members have the opportunity to leverage their collective scale and expertise in responsible sourcing to enhance the industry as a whole, boosting supplier and factory development to a new level. Since the inception of the GSCP, its working groups have developed a Reference Code and a set of Audit Process and Methodology Reference Tools, made progress on work involving Auditor Competence, and established an Environmental Module and an Equivalence Process. Walmart has supported these efforts by aligning our own Standards for Suppliers with the GSCP Reference Code and the Environmental Module. As a result, factories will be audited against more robust environmental criteria. Additionally, we are benchmarking our Ethical Sourcing Program against the GSCP Audit Process and Methodology Reference Tools. As new reference tools are developed, we will continue to evaluate our program against the tools in order to achieve equivalence with the GSCP.

• **Audit Efficiency Project –** This project is a shared data warehouse of factory information managed by the Fair Factories Clearinghouse (FFC) and whose membership also includes many other global retailers and brands. The online database contains information on workplace conditions, such as adherence to labor, health and safety, ethical, environmental and security standards. The FFC currently has information on more than 20,000 factories and 38,000 audits in its database. A matching exercise of 933 factories found an overlap of 228 factories with 81 factories currently active with other FFC members, and as a result, audit duplication will be avoided in those 81 factories.

• **Better Work Program –** We joined together with Gap Inc., Levi Strauss & Co., Nike and the Walt Disney Company to jointly donate more than \$1 million in support of the International Labor Organization (ILO) and International Finance Corporation's (IFC) Better Work Program, which develops assessment and training tools that directly impact supplier factories. This donation will support the growth and development of the Better Work Program beyond Cambodia, Jordan and Vietnam where robust programs are up and running, and into Indonesia, Haiti and Nicaragua.

HELPING PEOPLE SAVE MONEY



Our customers and members play a critical role in the success of our business and our sustainability program. Each week, the millions of people who enter our doors have the opportunity to choose an environmentally or socially responsible product over a conventional product. This presents us with an opportunity to help educate our customers and members on the potential savings of buying a more sustainable product.

In 2009, we changed our method of communicating to customers and members about the environmentally preferable products on our shelves. Previously, we had focused our outreach efforts during our “Earth Month” event in April. But given the importance that our customers’ and members’ purchasing decisions can have throughout the year, we have turned to including in each of our weekly circulars products that are good for their homes and better for the environment. This helps us remind our customers and members that they can make sustainable purchasing decisions every day of the year.

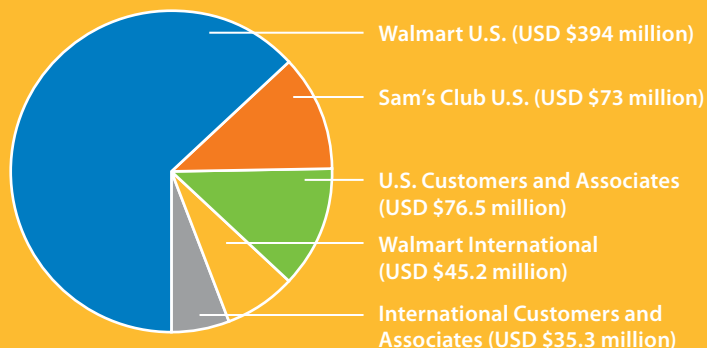
Customer Story

More than two years after launching, the 948 Walmart de México stores that feature a Medi-Mart product have generated more than 4 billion pesos (more than USD \$339 million) in savings in medicines for Mexican families. Medi-Mart offers more than 400 generic medications that are audited following the strictest quality control for Walmart de México. In 2009, Medi-Mart generated 15 percent more savings for Mexican families than in 2008.

HELPING PEOPLE LIVE BETTER

Each year, Walmart and its domestic and international foundations donate hundreds of millions of dollars to create opportunities for people to live better in the communities our business touches around the world. By helping these communities and the people who live there, we are keeping our promise to be a good neighbor. We award grants to organizations whose programs address needs that vary from hunger to educational access. In total around the globe, Walmart, its Foundations, its customers and associates supported communities with more than \$624 million in charitable contributions during FYE10.

Walmart's Giving for Fiscal Year Ending 2010



Giving Highlights

- The Walmart Foundation is committed to supporting workforce development programs and awarded more than \$6.5 million in grants to programs that help train and deploy a skilled workforce.
- In 2009, the Walmart Foundation awarded the U.S. Conference of Mayors (USCM) and Business and Professional Women's Foundation (BPW) grants totaling \$5.4 million to support the creation of green jobs in the U.S. The \$5 million given to the USCM was divided into six grants given to local communities. For example, a \$550,000 grant was given to the Conservation Corps of Long Beach (CCLB) to support local job training and hire 20 local at-risk young adults and two full-time supervisors to oversee various conservation projects, including weatherizing homes and installing drought-tolerant landscaping. The \$400,000 awarded to BPW will help train women for jobs in traditionally male-dominated green job fields such as wind turbine maintenance.
- At a time when food banks are being accessed more than ever, Walmart stores and Sam's Club locations doubled donations of nutritious food, giving more than 127 million pounds to Feeding America food banks, the equivalent of nearly 100 million meals. These in-kind contributions value more than \$192 million. We are also supporting organizations like the Boys & Girls Clubs of America with vital funding to support summer feeding programs and other hunger relief efforts across the country.
- During the 2009 holiday season, the Walmart Foundation launched the "Walmart Gives Back" campaign which included the donation of 35 refrigerator trucks to Feeding America food banks across the U.S. These trucks will enable the food banks to transport an additional 52.5 million pounds of food, the equivalent of 41 million additional meals, per year. In addition, the Walmart Foundation awarded a \$2.2 million grant to the Meals on Wheels Association of America. This funding was distributed to 140 Meals on Wheels member programs across the U.S. to increase their ability to provide nutritious meals to individuals and families who are elderly, homebound, disabled, frail or otherwise at risk.

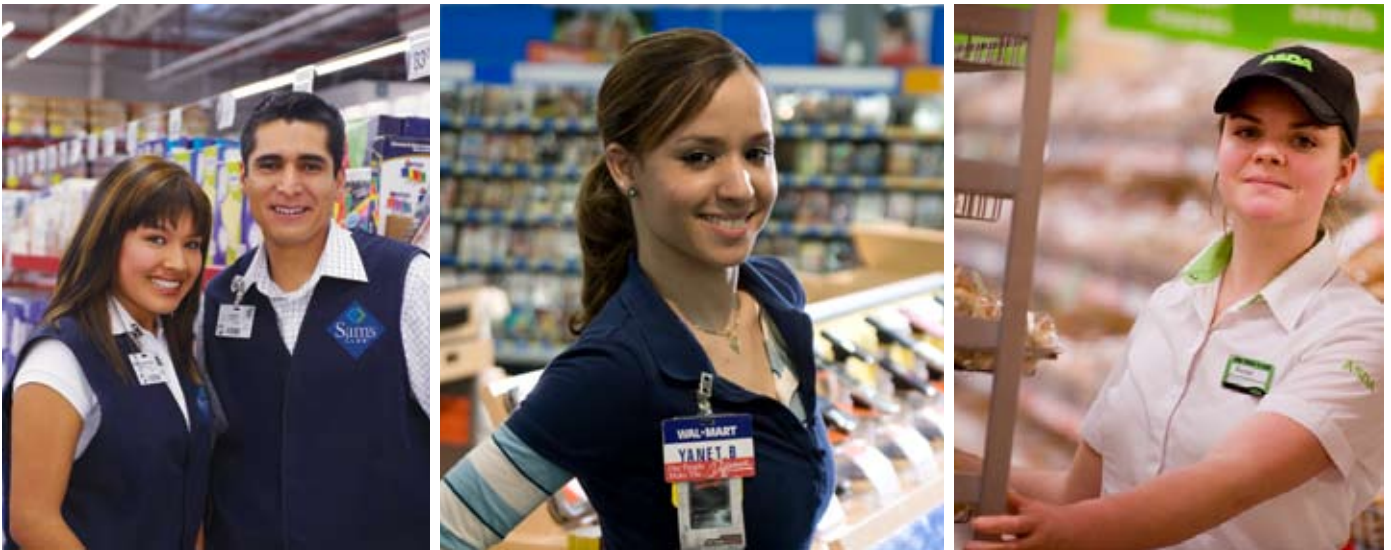


- At the end of 2009, Walmart provided grants to land preservation groups to protect an additional 212,000 acres of critical habitat in the United States under its Acres for America program. With the addition of these sites, the Acres for America program has helped protect more than 624,000 acres of land in 15 states across the nation since its inception in 2005. During the next five years, we plan to focus preservation efforts on lands that are critical to protecting migration routes, iconic wildlife, watersheds and forests that can capture carbon from the atmosphere.
- In response to the tragic earthquake in Haiti in January 2010, Walmart and the Walmart Foundation provided more than \$1.5 million in financial support, including in-kind contributions such as donations of pre-packaged food kits, blankets and face masks.
- In March and April 2009, through the “Good libraries, Good neighbors” program, Walmart Argentina supported reading among children and families. As a part of this initiative, we promoted workshops focused on making reading a family activity that were hosted by a NGO at local libraries. Walmart Argentina has received recognition for its work around education from the Ministry of Education.
- World Food Day was celebrated in October 2009, and the Walmart de México Foundation participated in the event by leading a social awareness campaign to ease hunger among 500,000 Mexicans. By selling products from participating suppliers and those supported by the Walmart de México Foundation, customer and associate donations, volunteer activities carried out by the associates and a grant from the Walmart de México Foundation, we were able to fund the construction of wood-saving stoves, vegetable gardens and family farms for 356 families. Additionally, we were able to provide food for more than 26,500 children suffering from malnutrition, support production projects in 140 communities and deliver 45 trucks to improve transportation of food to areas difficult to reach.
- Bharti Walmart, our joint venture company in India, has adopted one of the villages in the region participating in the Direct Farm Program. In the village of Haider Nagar, only 50 percent of households have toilets, which was impacting the quality of the fresh produce being procured from the farmers in the village. In 2009, Bharti Walmart developed a goal to ensure that 100 percent of the households in the village have toilets and most with biogas plants.
- Bharti Walmart implemented a “Greening the Highway” project near their BestPrice Modern Wholesale store in Amritsar. In addition to cleaning up the roadway, they also planted 5,000 trees.
- In 2009, our D&S stores in Chile, with the generosity of its customers, helped to raise more than USD \$1.6 million for the “Leave Your Change in Good Hands” campaign which helps people in poverty through Hogar de Cristo, an important social-poverty institution in Chile. This was a 6.5 percent increase in donations compared to 2008.
- Throughout the year, national campaigns are held in Brazil to collect warm clothes, food, toys and books. On Solidarity Saturday, held on the first or second Saturday of the month, customers are invited to help those in need by placing items they would like to donate into bins at the front of Walmart Brazil stores. Our efforts last year resulted in more than 490 tons of food, 163,000 books, 118,000 winter clothing items and 12,000 toys being donated to those in need.



- In October 2009, Walmart China committed RMB 820,000 (approximately USD \$120,000) to partner with ACCA 21 on a China National Youth Sustainability Innovation competition. This recognizes the significance of promoting and strengthening friendly cooperation in the area of sustainability; encouraging and fostering community interest and participation in creative thinking; and promoting science and technological innovation to reduce energy, conserve water and reduce pollution in China. The organizing committee will judge ideas and products from schools and research institutes and prizes will be given to the winners during an awards ceremony taking place on July 20, 2010 in the USA Pavilion during the Shanghai World Expo. The competition has attracted teams from 54 universities, 24 high schools and 9 research institutions.
- In May 2009, one year after the magnitude eight earthquake hit Wenchuan, Sichuan province, Walmart China, together with Right to Play, jointly kicked off the “We Care Project.” This program focuses on caring for children who were orphaned or disabled during the quake by providing child care and rehabilitation and development services.
- Walmart Central America is very active in volunteer efforts to help orphaned and disabled children throughout the region. Associates have helped improve the facilities where these children live by painting the building exterior, classrooms and lounges; remodeling offices and bathrooms; and improving outdoor recreation areas and gardens. Additionally, we take time to educate the children on maintaining a healthy diet and good oral hygiene.
- Walmart Central America in El Salvador has implemented a support project in the protected natural area of Channmico of the Complejo El Playón in the Libertad district. Channmico covers more than 1,500 hectares, much of which is covered by volcanic lava and is considered to be the most important area in the country for natural water storage. We launched our efforts in June 2009 by planting more than 1,000 trees across three hectares of the area. In November 2009, we helped create a tree nursery for 900 trees on another three hectares of the zone. Eventually, the project aims to reforest 15 hectares with more than 14,000 fruit trees, including cashew, nance, carao, arrayan and guava. This reforestation will make it easier for the rainwater to filter through to the subsoil, improve environmental conditions, provide fruit to the visitors and enrich the quality of the landscape.
- In 2009 in Nicaragua, we joined forces with World Vision International and Nicaragua’s Ministry of Health to implement the “Healthy Eating for Healthy Children” program. The program aims to help 30 families in the community of La Concha improve their nutrition through educational activities to promote good dietary practices. In addition to providing workshops on food preparation and the importance of nutrition, the program is also helping families incorporate healthy alternatives into their agricultural production, such as fresh vegetables and chicken.

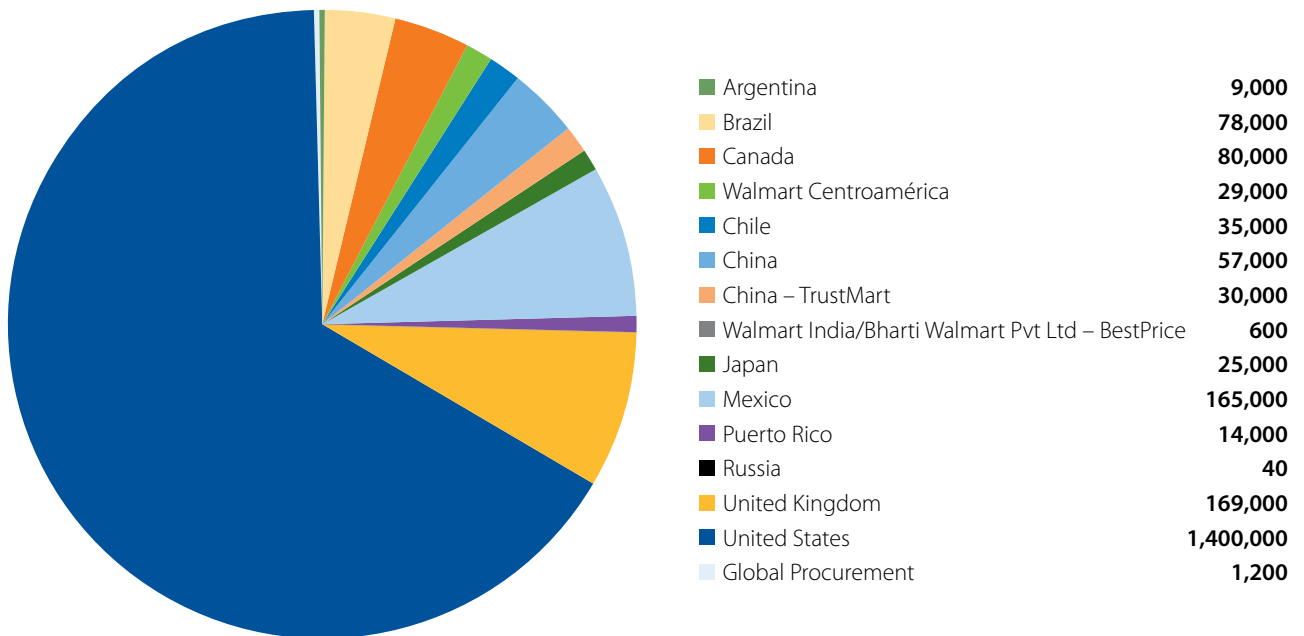
ASSOCIATE OPPORTUNITY BUILDS CAREERS



Our associates are essential partners in our mission to help customers save money and live better. They work with suppliers to put affordable, quality products on our shelves and are the faces our customers see every day. Given the role our associates play in the success of our business, we work to provide them with jobs that they are proud to have at a company they admire. We have built an environment where every associate can use company resources to go as far as their hard work and talent will take them. By providing good jobs and an inclusive working environment, we are helping our associates build jobs into careers at Walmart.

Associates by Market

Around the world, we have more than 2 million associates working in our stores, clubs and facilities.



Associate Success Story

Walmart de México has a permanent associate training program designed to provide associates with the necessary skills for successful professional and personal performance, as well as to generate better development opportunities. In 2009, more than 198,000 associates were trained with an investment of 49.7 million pesos (USD \$3.9 million). These training opportunities are part of the reason that more than 15,000 associates earned promotions at Walmart de México in 2009.

U.S. By the Numbers

Total Number of Associates Employed as of January 31, 2010	More than 1.4 million in the U.S.
U.S. Health Benefits	All associates, part- and full-time, can become eligible for health care coverage with no lifetime maximum. Children become eligible as soon as their parents are. Quality, affordable coverage is available for as low as \$18 for eligible associates or \$54 for eligible associates and dependents per month.
U.S. Health Benefits Enrollment	1.2 million associates and their dependents; 54 percent of associates enrolled in a Walmart plan

Every year, thousands of Americans choose to make Walmart their first job – providing them with training, interaction and experience to build a successful career. In fact, almost 75 percent of our store management team in the U.S. started as hourly associates. And every month, more than 1,000 U.S. associates mark their 20th and 30th anniversaries with the company. We look forward to continuing to provide our associates with career opportunities.



DIVERSITY AND INCLUSION



Our people make the difference, and our differences make us strong.

At Walmart, attracting, developing and retaining top talent enables us to continue to be relevant to the needs of our customers and meet the challenges facing our business today and in the future. A truly inclusive work environment empowers our associates to reach their individual potential and fulfill Walmart's promise to its customers. This is why maintaining the most diverse workforce – at all levels – is among our top priorities.

We understand the success of our business is built on creating a workplace that enables our associates' ideas to come to life. When we leverage our associates' unique talents, perspectives and backgrounds, we are able to better serve our customers and deliver innovative business solutions, including \$4 prescriptions, sustainability initiatives, community-specific merchandise, in-store clinics and affordable money services.

Through the strength of our diverse workforce, we will continue to innovate and build upon the vision that remains at the heart of our company today – saving people money so they can live better.

Key Community Donations in 2009

- In 2009, Walmart launched a “Greening your Business Series” that provided education, insights and solutions to help women and minority-owned small businesses see the value and relevancy of making their businesses more sustainable. The program brought together a number of experts in sustainability, including government officials, educators, researchers, business leaders and policymakers, to participate in panel discussions on green business strategies.
- In October, the Walmart Foundation awarded \$1.2 million to the National Council of La Raza (NCLR) to improve long-term career prospects for Latinos in the retail and green jobs sectors. In July 2009, the Latino unemployment rate in the U.S. was estimated at 12.3 percent and opportunities for job skill training are scarce, especially for low-wage Hispanic workers. Through this grant, ten NCLR affiliates are providing training specifically aimed at meeting the needs of Latino workers.
- In November, the Walmart Foundation awarded the first installment of a \$1 million grant to the Thurgood Marshall College Fund (TMCf) to support the Walmart Foundation/TMCF First Generation Scholars Program. The program helps students at public Historically Black Colleges and Universities (HBCUs) who are the first in their families to go to college obtain the financial resources they need to finish their degree.
- To help empower women around the world, the Walmart Foundation announced in May a \$1 million grant to CARE, a leading humanitarian organization fighting global poverty. Projects funded through this grant will empower impoverished women in Peru, Bangladesh and India to increase their income through education, job training and entrepreneurial support programs.
- In June, the Walmart Foundation awarded \$3 million to The Arc of the United States to improve services for youth with intellectual and developmental disabilities as they transition out of the public school system. The funds were awarded through a competitive process to 45 local chapters of The Arc in support of transition programs that are successfully aiding youth with disabilities as they transition from school to the community.
- In 2009, Walmart hosted three economic summits in Washington, D.C. that brought together African-American, Hispanic and women leaders in business, government and in the community from across the country for a series of panels, roundtable discussions and meetings with member of Congress and the Obama Administration. These summits were the first of their kind and demonstrate our commitment to bringing all thought leaders together to discuss aspects of the economy that could help shape a new national economic agenda.

EMPLOYER OF CHOICE

Associate Sustainability

Last year, we evaluated our program that encouraged voluntary participation among our associates to make a small change in their lives that had both a personal and environmental benefit. Our assessment of the two-year program showed that a revised program was needed to better engage and encourage participation in the program. We are now designing a new program that will be introduced in 2010.



SUSTAINABILITY CHAMPION – DABNEY BRANNON

Dabney Brannon, an Instructional Designer at Sam's Club, has been able to apply his background in earth sciences and passion for community service in his role as a sustainability champion in the Sam's Club Home Office. In this role, Dabney identifies and organizes community service projects, for associates, that have a positive impact on the environment. In addition to providing associates with an opportunity to improve their local community, Dabney's efforts also lead to donations from the Walmart Foundation's "Volunteerism Always Pays" program to local nonprofits. Based on the number of participating associates and the number of hours of time that were donated to the community service project, the Walmart Foundation provides a predetermined donation amount to the nonprofit that is being assisted through the associate efforts.

"At Sam's Club, I feel like we have an opportunity to do a lot of good for our local community," says Dabney.

In fact, on a cold, snowy February day in 2009 in Fayetteville, Arkansas, Dabney joined 18 other Sam's Club associates to brave 30-mile-an-hour winds to help Audubon Arkansas remove invasive tree species from a local natural preservation area. The associates spent nearly six hours removing 300 fast-growing, non-native pear trees from the nature preserve. But their hard work paid off with an improved nature preserve and a \$1,000 donation to Audubon Arkansas.

In August 2009, Dabney organized a group of 16 Home Office volunteers to participate in Secchi Day at Beaver Lake in Northwest Arkansas. Secchi Day is hosted by Audubon Arkansas, the Beaver Lake Water District and the U.S. Army Corps of Engineers. The event allows people from the community to assist in the collection and logging of data on the clarity and overall health of the water in Beaver Lake. Dabney and the other volunteers from Sam's Club supported the event by cooking lunch for the participants, directing parking, and educating interested people on water flow and the local watershed. In addition to the time the Sam's Club volunteers invested in the event, Dabney again was able to secure a \$1,000 donation for Audubon Arkansas from the Walmart Foundation's "Volunteerism Always Pays" program.

Dabney continues to organize volunteer opportunities for associates while continuing his own commitments to pick up more trash and carpool as often as he can. "I'm looking forward to getting even more people involved in our efforts this year. There's still a lot more we can do," he said.



GOAL 1: BE SUPPLIED 100 PERCENT BY RENEWABLE ENERGY

ENERGY GOALS

PROGRESS UPDATE

<p>U.S. Achieve a 25 percent increase in fleet efficiency in the U.S. by October 2008 (2005 Baseline).</p>	<p>COMPLETE</p>	<p>In 2008, we achieved this goal by reaching a 38 percent improvement in fleet efficiency.</p>
<p>Global Design and open a viable store prototype that is 25 to 30 percent more efficient and will produce up to 30 percent fewer greenhouse gas (GHG) emissions by 2009 globally (2005 Baseline).</p>	<p>COMPLETE</p>	<p>In 2009, we incorrectly stated that this goal was only for our U.S. market when it was actually set for all of our international markets that were part of our global business in 2005. Despite this, our international markets all continued to work on the goal, and in 2009, we met our global goal to design and open a viable store prototype that is up to 25 to 30 percent more efficient and produces up to 30 percent fewer greenhouse gas emissions (2005 Baseline). All of our international markets created a new prototype based on their regional climate. For example, Walmart Brazil opened five new prototype stores that are expected to reduce energy by 25 percent and water use by 40 percent in 2009. The high-efficiency (HE) prototype we built in China uses 35 percent less energy, and in the U.S., we opened two HE.3 stores that are designed to use 25 percent less energy than the 2005 baseline store.</p>
<p>Canada Overall, new stores in Canada will be 30 percent more energy efficient (2005 Baseline).</p>	<p>COMPLETE</p>	<p>In the fall of 2009, we met our goal in Canada to design and build new stores that are designed to be 30 percent more energy efficient, compared to stores built in 2005, by opening two high-efficiency (HE) store prototypes in Waterdown and Oshawa, Ontario. These two stores are projected to be at least 30 percent more energy efficient than the 2005 baseline store. We will use some of the technologies that have proven successful in these stores to retrofit its existing stores in Canada and will continue to design even more efficient store prototypes.</p>
<p>U.S. Retrofit low- and medium-temperature refrigerated display cases at more than 500 U.S. stores with energy-saving light emitting diode (LED) lighting by 2009 (2005 Baseline).</p>	<p>COMPLETE</p>	<p>501 retrofits were completed in FY 2008; an additional 499 completed in FY 2009.</p>
<p>Japan Reduce the amount of fuel required to carry one ton of goods one kilometer by 25 percent by 2012 in Japan (2006 Baseline).</p>	<p>COMPLETE</p>	<p>Between 2006 and 2009, Seiyu transported more than 29 percent more goods over the same distance by using more efficient routing and loading techniques for trucks, and by consolidating operations and deliveries.</p>



GOAL 1: BE SUPPLIED 100 PERCENT BY RENEWABLE ENERGY

ENERGY GOALS	PROGRESS UPDATE	
<p>China Walmart China will reduce energy use by up to 30 percent in existing stores and design and open a new store prototype that uses up to 40 percent less energy by 2010 (2005 Baseline).</p>	<p>24% REDUCED ENERGY CONSUMPTION EXPECTED IN EXISTING STORES</p>	<p>In China, we continue to make progress on our efforts to integrate energy-efficient technologies into our existing stores and distribution centers, as well as construction plans for new facilities. We expect to reduce energy consumption in existing stores by more than 24 percent compared to baseline stores in 2005. The high-efficiency (HE) store in Beijing is realizing energy savings of 35 percent compared to a 2005 baseline store.</p>
<p>U.S. Double fleet efficiency in the U.S. by October 2015 (2005 Baseline).</p>	<p>60% INCREASE IN FLEET EFFICIENCY</p>	<p>We have achieved a 60 percent increase in fleet efficiency since 2005 and are continuing to work toward achieving this goal. Including all carriers, 77 million more cases were delivered in 2009 than the year before while eliminating more than 100 million miles. By driving fewer miles, our fleet avoided emitting approximately 145,000 metric tons of CO2 into the atmosphere. We calculate our fleet efficiency by first dividing the number of miles we traveled by the average fuel efficiency we achieved in our trucks as measured in miles per gallon. This leaves us with the amount of fuel we used to travel those miles. Next we take the number of cases we delivered during the same time period and divide it by the amount of fuel we used to deliver the cases.</p>
<p>Global Reduce greenhouse gases at our existing store, club and distribution center base around the world by 20 percent by 2012 (2005 Baseline).</p>	<p>5.1% DECREASE IN GHG EMISSIONS</p>	<p>Looking at the emissions created from our adjusted baseline of stores, clubs and distribution centers in 2008 compared to 2005, our most recent complete annual data shows that we have been able to decrease the GHG emissions created by those facilities around the world by 5.1 percent, meaning that we are about 25 percent of the way toward achieving our goal. We have achieved this current level of reduction by installing energy-efficient technologies, advanced refrigeration and renewable energy technologies into our buildings. We are continuing to pursue this challenging goal.</p>
<p>China We will partner with suppliers to improve energy efficiency by 20 percent per unit of production in the top 200 factories in China from which we directly source by 2012 (2007 Baseline).</p>	<p>5% EFFICIENCY INCREASE IN 119 FACTORIES</p>	<p>Among our efforts to help factories improve their energy efficiency, to date we have established 119 factories that have demonstrated greater than 5 percent improvement in efficiency.</p>



GOAL 2: CREATE ZERO WASTE

WASTE GOALS	PROGRESS UPDATE	
<p>U.S. All jewelry packaging in the U.S. will be made more sustainable and we will convert all jewelry pallets and boxes to recycled materials by 2010.</p>	<p>COMPLETE</p>	<p>In 2008, we decided to eliminate the majority of jewelry pallets, and to date we have eliminated 91 percent. The remaining 9 percent of our pallets are made from recycled materials. In 2009, we identified ways to make 100 percent of our jewelry boxes from recycled materials, and are in the process of doing so. Additionally, the boxes can be recycled once customers take their jewelry products home.</p>
<p>U.S. Reduce solid waste from U.S. stores and Sam's Club locations by 25 percent by October 2008 (2005 Baseline).</p>	<p>NOT MEASURABLE</p>	<p>When our waste reduction goals were set in 2005, we quickly realized that our previous waste management tracking system was insufficient to accurately measure and manage our waste stream. Since setting the goal, we have worked side-by-side with our waste vendors to develop a more sophisticated waste-hauling system that allows us to measure and manage our waste stream. We do not, however, know the actual percentage of the amount of waste we redirected or reduced in 2005, 2006 or 2007.</p> <p>Now that we are able to accurately measure waste going to the landfill, we are proud to report that from February 2008 to January 2009, we redirected more than 57 percent of the waste generated by our stores and Sam's Club locations.</p>
<p>U.S. Eliminate landfill waste from U.S. stores and Sam's Club locations by 2025.</p>	<p>MORE THAN 64% SOLID WASTE REDIRECTED</p>	<p>Between February 2009 and January 2010, Walmart redirected more than 64 percent of the solid waste generated by its facilities in the U.S.</p>
<p>China Stores Walmart China will aim to cut water use in all of its stores by half by 2010 (2005 Baseline).</p>	<p>TESTING NEW TECHNOLOGIES</p>	<p>In China, we are testing water-saving technologies in its high-efficiency (HE) store in Beijing. Currently, those technologies are helping the store reduce its water consumption by 68 percent. As we move forward, we will determine how to best integrate water-saving technologies into our existing store base in China.</p>



GOAL 2: CREATE ZERO WASTE

WASTE GOALS	PROGRESS UPDATE	
<p>U.S. Eliminate PVC from private brand packaging in the U.S. by October 2007.</p>	<p>NOT ACHIEVED</p>	<p>While we continue to look for alternatives to PVC, we have been unable to find suitable replacements for PVC in packaging such as over-the-counter, tamper-evident bands, metal can sealants and meat wrapping, among others. Until we identify another material of equal performance, we will not eliminate PVC from certain items to ensure safety and performance for our customers.</p>
<p>Global Reduce packaging by 5 percent globally by 2013 (2008 Baseline).</p>	<p>329,000 ITEMS AT WALMART AND 11,000 ITEMS AT SAM'S CLUB SCORED</p>	<p>Using our packaging scorecard, we have collected packaging information on approximately 329,000 of the items carried in Walmart stores and more than 11,000 of the items that we collect information on at Sam's Club. We will use this information to determine the packaging reduction that has resulted from our efforts once the metric is finalized.</p>
<p>Global Be packaging neutral globally by 2025.</p>	<p>329,000 ITEMS AT WALMART AND 11,000 ITEMS AT SAM'S CLUB SCORED</p>	<p>Using our packaging scorecard, we have collected packaging information on approximately 329,000 of the items carried in Walmart stores and more than 11,000 of the items that we collect information on at Sam's Club. We will use this information to determine the packaging reduction that has resulted from our efforts once the metric is finalized.</p>
<p>Global Reduce the weight of our global plastic shopping bag waste by an average of 33 percent per store by 2013 (January 1, 2007 – December 31, 2007 Baseline).</p>	<p>16.1% REDUCTION IN PLASTIC BAG WASTE</p>	<p>In 2009, we reduced our plastic bag waste by approximately 66.5 million pounds, which is approximately 4.8 billion bags. This represents a 16.1 percent reduction from our 2007 baseline.</p>
<p>Mexico Walmart de México to reduce water use by 20 percent by 2013 (2008 Baseline).</p>	<p>7.6% REDUCTION IN WATER USE</p>	<p>Walmart de México has reduced water use by 7.6 percent (calculated by dividing cubic meters of water used by square meters of building constructed).</p>



GOAL 3: SELL PRODUCTS THAT SUSTAIN PEOPLE AND THE ENVIRONMENT

PRODUCT GOALS	PROGRESS UPDATE
<p>China Stores</p> <p>Walmart China will reduce the hazardous substances in products sold in its stores by ensuring that half of the electronics on its shelves will be RoHS compliant (2008 Baseline).</p>	<p>COMPLETE</p> <p>Walmart China is measuring this goal by tracking the sales of select RoHS-compliant electronics on its shelves and has successfully achieved 85 percent in sales of these products.</p>
<p>U.S.</p> <p>All personal computers and large electronics at Walmart will be RoHS compliant by December 2007 in the U.S.</p>	<p>COMPLETE</p> <p>We have met this goal, and all of our televisions, personal computers, MP3 players, video games and cameras are compliant with the Reduction of Hazardous Substances (RoHS) directive.</p>
<p>U.S.</p> <p>Sell 100 million compact fluorescent light bulbs (CFLs) at Walmart and Sam's Club locations by the end of 2007 (2006 Baseline).</p>	<p>COMPLETE</p> <p>We met this commitment in 2007. We sold 137 million CFLs in the timeframe we set to sell 100 million CFLs. Since the announcement of the commitment, Walmart and Sam's Club in the U.S. have sold more than 350 million CFLs.</p>
<p>U.S.</p> <p>Sell only concentrated liquid detergent in all U.S. stores by May 2008.</p>	<p>COMPLETE</p> <p>Walmart met this commitment in 2008 by purchasing only concentrated liquid laundry detergents from suppliers at that point and moving forward.</p>
<p>U.S.</p> <p>Work with the Global Aquaculture Alliance (GAA) and Aquaculture Certification Council, Inc. (ACC) to certify that all foreign shrimp suppliers adhere to Best Aquaculture Practices (BAP) standards in the U.S. by 2011.</p>	<p>COMPLETE</p> <p>100 percent of the farmed shrimp products we purchase for Walmart U.S. and Sam's Club U.S. meet factory processing criteria established by the ACC.</p>
<p>Global</p> <p>By the end of 2009, Walmart U.S. will require that all direct import suppliers along with all suppliers of private label and nonbranded products provide the name and location of every factory they use to make the products Walmart sells.</p>	<p>COMPLETE</p> <p>As of December 31, 2009, we facilitated the disclosure of 100 percent of our direct supplier factories, and 100 percent of all factories used to produce private label and nonbranded merchandise.</p>

GOAL 3: SELL PRODUCTS THAT SUSTAIN PEOPLE AND THE ENVIRONMENT



PRODUCT GOALS	PROGRESS UPDATE	
<p>China Expand the success of Walmart China's Direct Farm Program by engaging as many as one million farmers by 2011.</p>	<p>280,000 FARMERS PARTICIPATING</p>	<p>To date, Walmart has built 28 direct farm platforms in 14 provinces and municipalities with a total area of 280,000 Mu (18,666 hectares) and 280,000 participating farmers in China.</p>
<p>U.S. Every air conditioner sold in the U.S. will be ENERGY STAR®-rated by 2010 (2008 Baseline).</p>	<p>75% ENERGY STAR®-RATED</p>	<p>As of January 31, 2010, six out of the eight models, or 75 percent, of window air conditioners offered in our assortment are ENERGY STAR®-rated.</p>
<p>U.S. and Japan All flat-panel televisions in the U.S. and Japan will be 30 percent more energy efficient by 2010 (2008 Baseline).</p>	<p>TVs IN THE U.S. ARE 67% MORE EFFICIENT</p>	<p>By working with our suppliers, we have been able to increase the average energy efficiency of televisions throughout our assortment in the U.S by 67 percent. We continue to work with our suppliers in Japan to gather data on efficiency improvements.</p>
<p>Global Work with suppliers to make the most energy-intensive products in our stores, anywhere in the world, 25 percent more energy efficient by January 2011 (2008 Baseline).</p>	<p>66% OF TVs CARRIED IN THE U.S. MEET OR EXCEED THIS GOAL</p>	<p>Announced in 2008, we have identified personal computers, video game consoles, air conditioners and televisions as the product categories for tracking progress. This goal will be measured by calculating the average percent reduction in energy consumption of selected products (watts/hour). We are working with our suppliers across all product categories falling under this goal to develop a consistent form of reporting. As of January 2010, 26 out of the 39 TV models we sell in the U.S. are at least 25 percent more energy efficient.</p>
<p>U.S. Double the sale of products in the U.S. that help make homes more energy efficient by 2011 (2008 Baseline).</p>	<p>20% INCREASE IN SALES</p>	<p>Products falling under this category include caulk, weather stripping, air filters, programmable thermostats, expanding foam and power strips. Each of these products helps a home reduce wasted energy due to poor seals or phantom power consumption. Since 2008, we have seen a 20 percent increase in sales among these items. Smart Surge power strips have more than quadrupled in sales and we continue to make good progress on sales in other categories.</p>



GOAL 3: SELL PRODUCTS THAT SUSTAIN PEOPLE AND THE ENVIRONMENT

PRODUCT GOALS

PROGRESS UPDATE

<p>U.S. Achieve 10 percent traceability of all diamonds, gold and silver in jewelry sold in Walmart U.S. from mines, refineries and manufacturers, meeting ethical sourcing standards and responsible mining criteria by 2010.</p>	<p>15.2% OF GOLD IN JEWELRY TRACEABLE</p>	<p>While working toward this goal, we not only learned about, but also experienced, the challenges of tracing jewelry products back to responsible and ethical sources. To date, we have been able to trace 15.2 percent of our gold. We continue to look to identify programs for the diamond industry that offer the same level of transparency or can be scaled to meet the needs of our business, as well as remain focused on our efforts to trace silver.</p>
<p>U.S. Purchase all wild-caught fresh and frozen fish for the U.S. from Marine Stewardship Council (MSC)-certified fisheries by 2011.</p>	<p>55% MSC-CERTIFIED</p>	<p>As of January 31, 2010, in aggregate, 55 percent of the total pounds of wild-caught fresh or frozen fish sold at Walmart U.S. and Sam's Club was MSC-certified (measured by the percentage of total volume of wild-caught fish that is MSC-certified).</p>
<p>Global We will work with suppliers to drive customer returns on defective merchandise virtually out of existence (less than 1 percent) by 2012.</p>	<p>1.97% RETURNED</p>	<p>In 2009, we reduced our customer returns on defective merchandise to 1.97 percent.</p>
<p>Global We will require that all direct import suppliers source 95 percent of their production from factories that receive one of our two highest ratings in audits for environmental and social practices by 2012.</p>	<p>93% PLACEMENT IN TOP-RATED FACTORIES</p>	<p>Ninety-three percent of our direct sourcing merchandise is produced in top-rated factories.</p>

GOAL 3: SELL PRODUCTS THAT SUSTAIN PEOPLE AND THE ENVIRONMENT



PRODUCT GOALS	PROGRESS UPDATE	
<p>Americas Reduce phosphates in laundry and dish detergents in the Americas region by 70 percent by 2011 (2009 Baseline).</p>	<p>29% DETERGENT PHOSPHATE-FREE IN THE CENTRAL AMERICAN MARKET</p>	<p>In 2009, we committed to reducing the amount of phosphates contained in laundry and dish detergents that we carry in our stores in the Americas region – Canada, Mexico, Central America and South America – by 70 percent by 2011. While some countries, such as the U.S., have regulations in place to limit the amount phosphates suppliers can use in their products, others do not. This presents us both with the challenge and opportunity to work with our suppliers in countries where regulations are not present and help them through the process of finding alternatives to phosphates for their products. So far, our Central American market has reported that 29 percent of the laundry detergents it sells are phosphate-free. We look forward to seeing progress from our other markets as they work toward this goal.</p>
<p>Global Walmart commits to develop a worldwide sustainable product index.</p>	<p>ASSESSMENT AND CONSORTIUM DEVELOPED</p>	<p>Supplier assessment: We are working with our suppliers in all countries to fill out the Supplier Sustainability Assessment.</p> <p>Consortium: The Sustainability Consortium has been developed and is already working on the science that will eventually lead to the Index.</p>
<p>Global Walmart to work with the Sustainability Consortium globally to establish the criteria that will be used to gather information from top-tier suppliers and other retailers for products in at least 20 categories.</p>	<p>4 CATEGORIES ANNOUNCED</p>	<p>We announced this commitment at the 2009 Clinton Global Initiative Annual Meeting. Since then, the consortium has made good progress creating industry alignment and is now working with four major retailers, over 30 manufacturers, government agencies and non-government organizations from around the world. They have also begun work on four categories of products: detergents, personal computers, dairy and cereal.</p>
<p>Global Eliminate 20 million metric tons of greenhouse gas (GHG) emissions from Walmart's global supply chain by the end of 2015 (2010 Baseline).</p>	<p>EFFORTS LAUNCHED</p>	<p>Commitment announced on February 25, 2010 and initial work has begun on the initiative.</p>

2008

	RATING	% TOTAL
REGION A Southeast Asia	Green	6.0%
	Yellow	51.9%
	Orange	40.0%
	Orange-Age	0.4%
	Red	1.1%
	Disapproved	0.6%
REGION B Africa, Middle East, India, Northern Asia	Green	16.4%
	Yellow	49.3%
	Orange	32.1%
	Orange-Age	0.0%
	Red	2.0%
	Disapproved	0.1%
REGION C European Union, Turkey, Israel	Green	32.0%
	Yellow	53.4%
	Orange	14.2%
	Orange-Age	0.0%
	Red	0.5%
	Disapproved	0.0%
REGION D Far East	Green	2.6%
	Yellow	52.5%
	Orange	41.7%
	Orange-Age	0.6%
	Red	1.8%
	Disapproved	0.9%
REGION E The Americas	Green	33.7%
	Yellow	37.3%
	Orange	27.5%
	Orange-Age	0.4%
	Red	1.0%
	Disapproved	0.1%
TOTAL	Green	7.1%
	Yellow	51.0%
	Orange	39.0%
	Orange-Age	0.5%
	Red	1.6%
	Disapproved	0.7%

Data reflects percentage of all factory audits conducted during 2008

Data reflects percentage of all factory audits conducted during 2009

2009

	RATING	% TOTAL
REGION A Indonesia, Malaysia, Cambodia and Vietnam	Green	5.1%
	Yellow	48.4%
	Orange	43.5%
	Orange-Age	0.2%
	Red	0.7%
	Disapproved	2.1%
REGION B India and Sri Lanka	Green	20.8%
	Yellow	49.0%
	Orange	27.3%
	Orange-Age	0.0%
	Red	1.8%
	Disapproved	1.2%
REGION C Europe and Turkey	Green	30.4%
	Yellow	52.9%
	Orange	16.2%
	Orange-Age	0.0%
	Red	0.5%
	Disapproved	0.0%
REGION D Far East	Green	3.3%
	Yellow	57.2%
	Orange	35.9%
	Orange-Age	0.5%
	Red	1.1%
	Disapproved	2.1%
REGION E The Americas	Green	41.7%
	Yellow	36.6%
	Orange	20.6%
	Orange-Age	0.0%
	Red	0.8%
	Disapproved	0.3%
REGION F Bangladesh, Middle East and Pakistan	Green	9.3%
	Yellow	54.5%
	Orange	33.9%
	Orange - Age	0.0%
	Red	1.1%
	Disapproved	1.2%
TOTAL	Green	9.2%
	Yellow	54.0%
	Orange	33.8%
	Orange-Age	0.3%
	Red	1.0%
	Disapproved	1.7%

	ES RATING	%
REGION A	Green	15%
Indonesia, Malaysia, Cambodia and Vietnam	Yellow	67%
	Orange	18%
REGION B	Green	45%
India and Sri Lanka	Yellow	44%
	Orange	11%
REGION C	Green	52%
Europe and Turkey	Yellow	41%
	Orange	7%
REGION D	Green	8%
Far East	Yellow	79%
	Orange	13%
REGION E	Green	60%
The Americas	Yellow	30%
	Orange	10%
REGION F	Green	24%
Bangladesh, Middle East and Pakistan	Yellow	62%
	Orange	14%
TOTAL	Green	22%
	Yellow	66%
	Orange	12%

Data reflects the status of all active factories

Audit Rating Key		
Audit Rating	Violation Level	Audit Schedule
Green	None found to low-risk	Re-audited after two years
Yellow	Medium-risk	Re-audited after 180 days
Orange	High-risk	Re-audited after 120 days
Orange-Age	High-risk	Re-audited after 30 days Only one Orange-Age rating allowed before factory is permanently barred from further business with Walmart
Disapproved	Egregious	Barred from business with Walmart for one year
Red	Egregious	Permanently barred from further business with Walmart

United States

- 2009 Waste Reduction Awards Program Winner – California Integrated Waste Management Board
- President's Trophy – American Trucking Association (ATA)
- Ranked #3 out of 35 other retailers in the Q3 2009 Covalence Ethical Reputation Ranking
- Ranked #1 Consumer Staples Company – Carbon Disclosure Project (CDP) 2008 report and scored 89 out of a possible 100
- Green Power Leadership Award for on-site generation at our California and Texas facilities – Environment Protection Agency (EPA)
- Corporate Energy Conservation, Energy and Environment Award – Aspen Institute
- 2009 Waste Reduction and Recycling Award – City of San Diego Environmental Services Department
- 2009 Green Choice Award – *Natural Health* magazine
- Commercial/Industrial Recycling Award – The Delaware, Knox, Marion Morrow (DKMM) Solid Waste District of Ohio
- 2009 Sustainability Excellence Award – Voluntary Interindustry Commerce Solutions (VICS)

Argentina

- 2009 Amcham Award for the “Transforming Optimism” campaign

Chile

- 2009 Acción RSE Award

China

- Ranked #1 on the “2009 Multinational Company's Contribution to China” list – China Enterprise Federation, *China Enterprise News* and China Corporate Social Responsibility Research Center
- “2009 Best Corporate Public Image Award Multinational Corporation” – the Enterprise Research Institute of Development Research Center of the State Council, Best Corporate Public Image Evaluation Committee, Sohu.com, Huamin Charity Foundation, China Credit Research Center of Beijing University
- Walmart China President and CEO, Ed Chan, named an “Outstanding Person of Low-Carbon Economy” by *Forbes China* in its “People of the Year 2009” list
- “China Top 100 Brands” and “Top 10 Foreign Brands” – *People's Daily* and the *China Newsweek*
- China Green Benchmark Company 2008 – China Entrepreneur Club
- Earth Hour Certificate of Appreciation – WWF China 2009 *BusinessWeek* Greener China Business Award
- Global Top 10 Hot Topics on Environment – *World Environment Magazine*
- Innovation Award – China Chain Store and Franchise Association
- Best Employers in China 2009 by Hewitt

Brazil

- Prêmio von Martius de Sustentabilidade, Case – Sustainability Managing Model
- Prêmio Info 2009, Green Building – Morumbi Eco-efficient store
- Prêmio Planeta Casa, Eco-efficient store – Best Real Estate Enterprise
- Prêmio Expressão de Ecologia, Cases – Conscious Consumption of Plastic Bags and Producers Club
- Company of the Year – Sustainability Guide *Exame Magazine*

Mexico

- Socially Responsible Company Award – Mexican Center for Philanthropy (Cemefi) and the Alliance for Social Responsibility (AliaRSE)
- Gender Equality Model recognition – National Women’s Institute
- Company Committed to the Education of its Employees award – National Institute for Adult Education (INEA)
- Ranked Top 50 Innovative Companies – Netmedia Research and Ernst & Young
- Listed in *Istmo: Liderazgo con Valores* magazine’s social contributions and values list
- Top 15 in Social Responsibility – *Podery Negocios* magazine
- 2009 National Award for Power Savings and Renewable Energy – Secretary of Energy in the category for Buildings and Commerce and in the category of Renewable Energy
- Ranked #3 as a Socially Responsible Company – HSM and Millward Brown
- Top Companies for Leaders – Hewitt Associates, Grupo RBL and *Fortune* magazine
- State Award for Altruism in the State of México – Social Development Secretary and the Private Advisory Board for the State of México
- Recognition of the Walmart de México Foundation for its commitment and support granted to institutions pertaining to the Private Advisory Board of the State of México
- Recognized for the family welfare program for rural women from the state of Oaxaca “En Pro de la Mujer” – The Fundación Mexicana para el Desarrollo Rural A.C. (Fundar) with the award presented by the President of México
- Recognition of the Walmart de México Foundation for its social responsibility actions – the government of the State of México
- Testimony of gratitude to the Walmart de México Foundation – the Mexican Red Cross in México City
- Recognition of the Walmart de México Foundation for the 2009 National Campaign for a México without Hunger – Alimento para Todos, I.A.P.

United Kingdom

- Best Green Companies List 2009 (Top 50) – *The Sunday Times*
- Retailer of the Year 2009 (Finalist) – *The Grocer Green*
- Green Ladle – Environmental Champions – Anglican Water

Walmart Central America

- The Best Multinational Company – *The Summa Journal*
- Most Admired Multinational Company – *Estrategia & Negocios*

Costa Rica

- Honorable Mention – The Costa Rican-North American Chamber of Commerce award for the “Eating Healthy is Cheaper” educational and nutritional program

Nicaragua

- Award of Excellence – The Department of Labor, through the National Hygiene and Work Safety Council, certified Hortifrutri as a model company
- Excellence in Hygiene and Safety Prize – Awarded to Industrias Carnicas Integradas by the National Hygiene and Work Safety Council
- Prize of Excellence – Awarded to Industrias Carnicas by the Cleaner Production Center
- Fundación Teletón recognized Walmart Central America in Nicaragua “for its participation in the Race for Love, with our boys, girls and young people with special abilities, and for having helped us reach and surpass our goals”
- The Nicaraguan Corporate Social Responsibility Union recognized Walmart Central America for its participation in the first application of CSR indicators in Nicaragua

Honduras

- Socially Responsible Company Seal – The Honduran Foundation for Corporate Responsibility
- Building a Better World Prize – The Honduran Private Company Council and CHF International for support of policies, initiatives and informational campaigns aimed at HIV/AIDS prevention
- Plaque of Recognition – The Cathedral of Tegucigalpa
- Aldeas Infantiles SOS Honduras recognized Walmart Central America for its continued support of the institution's activities

Guatemala

- Recognition of Transparency –The Vice President of the Republic, Dr. Rafael Espada
- Honorable Mention – The Center for Corporate Social Responsibility for its “The Inclusive Market Alliance for Rural Entrepreneurs” program

RECOGNITION OF STAKEHOLDERS

Throughout all parts of our company, we work with NGOs to identify areas for improvement in our business, establish new goals and verify the data we compile on each of our initiatives to ensure that we are making good progress. They work with us because they are as eager as we are to see positive change in our business practices and supply chain. We thank them for their efforts and willingness to work with our company.

KEY FINANCIAL INDICATORS AS OF JANUARY 31, 2010

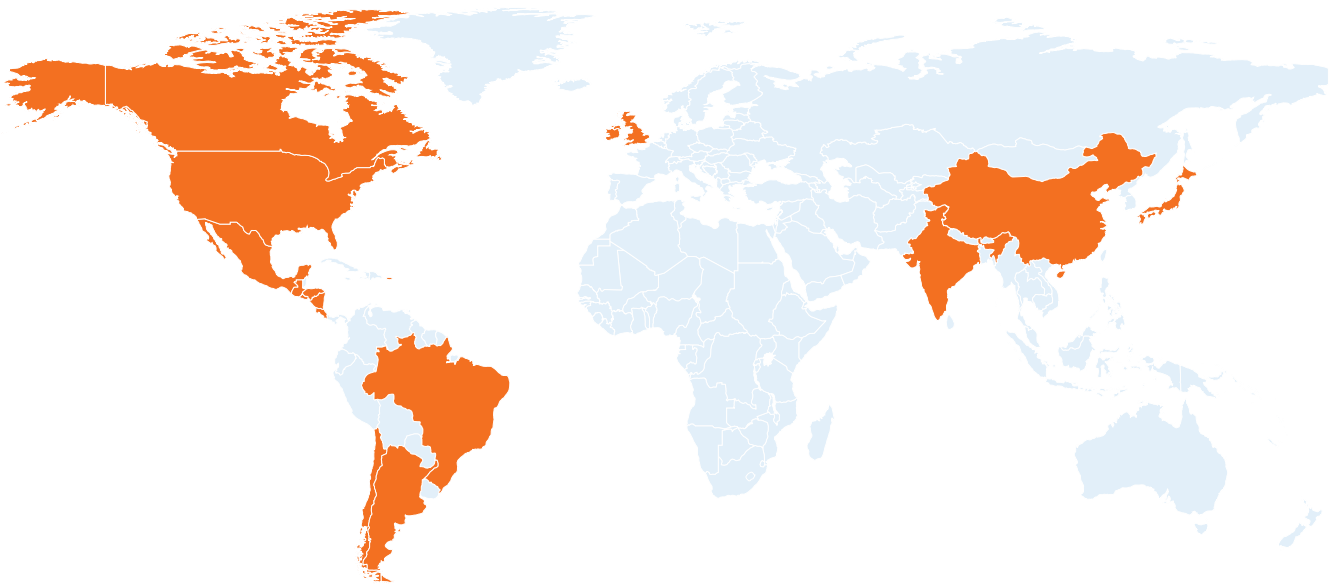
Walmart U.S.: \$258.2 billion in net sales

Sam's Club: \$46.7 billion in net sales

Walmart International: \$100.1 billion in net sales

Worldwide total: \$405 billion in net sales

TOTAL GLOBAL UNITS: **8,416**



UNITS BY MARKET

Argentina	43	El Salvador	77	Mexico	1,469
Brazil	434	Guatemala	164	Nicaragua	55
Canada	317	Honduras	53	Puerto Rico	56*
Chile	252	India	1	United Kingdom	371
China	279	Japan	371	U.S.	4,304
Costa Rica	170				

Unit count as of January 31, 2010

* Effective February 1, 2010, Walmart stores and Sam's Clubs in Puerto Rico became a part of their respective U.S. segments.