

2021 Supplier Inclusion Impact Report

Walmart 



A Message from the CEO



“Businesses like yours play an important role in how we serve our customers and communities. Your unique perspectives and insights help us source and deliver products and services that meet our customers’ needs – all while supporting our mission of helping people save money so they can live better.

The role suppliers like you play has become even more critical as we continue to face unprecedented challenges to public health and address racial equity and justice throughout our society. And because we take a multi-stakeholder approach to creating value, we strive to help enable diverse businesses like yours to thrive by identifying opportunities for you to grow with us.

We look forward to working with you.”

Doug McMillon

President and CEO Walmart, Inc.

2021 Supplier Inclusion Performance

At the world's largest retailer, Walmart strives to save people money so they live better. This mantra is at the core of every decision we make. One way we fulfill this commitment is to embrace diversity in all aspects of our organization; from our talented associates to the supplier partners we work with to deliver the products and services our customers want and need.



\$1.7B

Increase in Diverse Purchases from 2019-2020 Calendar Year Growth Over 2 Year Stack



\$13.4B



2021 Purchases from Diverse Suppliers

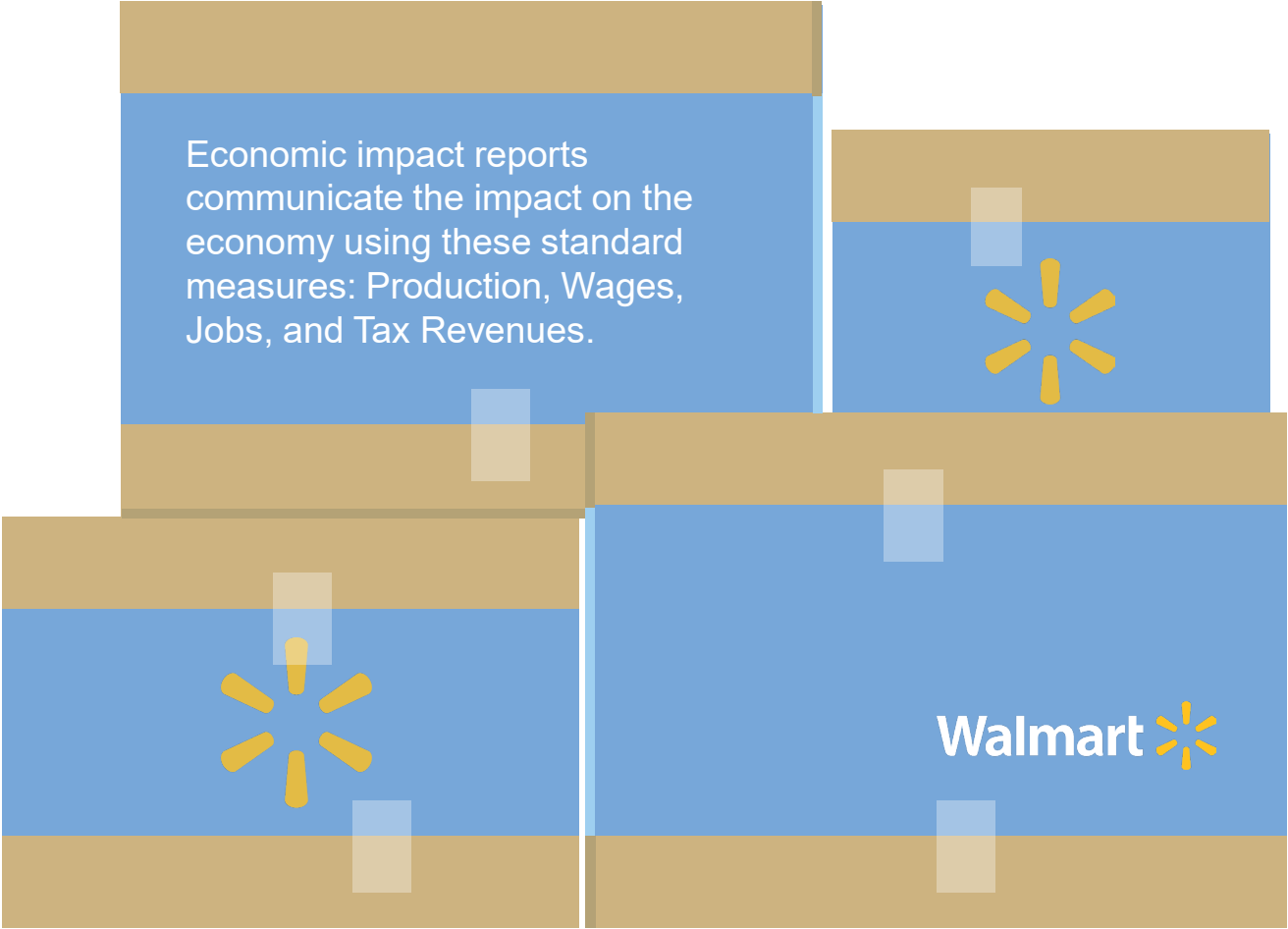


2,571

Diverse Suppliers



How we measure Economic Impact



Production

Measures the cumulative revenues of all businesses impacted through the program: Direct, Indirect and Induced.



Jobs

Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.



Wages

Created within Walmart Company's supply chain and in the supplier's communities.



Taxes

Measures the federal, state and local tax revenues that are generated through economic activity.

The Economic Impact of Walmart's Supplier Inclusion Program in 2021



\$20.2B 

Total Production Contribution of Walmart's Spend with Diverse Suppliers



\$13.4B

Diverse Spend

Walmart's purchases from Minority, Women, Veteran, Disabled & LGBT businesses



85,695

Jobs Supported

Total jobs supported through Walmart's supplier diversity spending



\$4.6B

Incomes Earned

Employee earnings through the jobs in Walmart's supply chain



\$4.8B

Taxes Generated

Federal, state and local taxes generated due to the economic activity

Economic Impact Channels

Walmart's purchases have a ripple effect on the supply chain. The total economic impact is comprised of three components: Direct, Indirect and Induced.



Direct

This is impact at Walmart's immediate small and diverse suppliers.



Indirect

Walmart's small and diverse suppliers purchase goods and services from other suppliers, which creates a ripple effect through the economy.



Induced

Employees in the jobs created in the supply chain to satisfy Walmart's purchases support additional jobs in their communities.

Walmart's spending with its diverse and small suppliers generates economic activity in its supply chain and their communities. These impacts can be categorized into three types. First, the direct impacts are the jobs and payroll directly supported at the Walmart's diverse suppliers. Next, there are additional spin-off impacts. Indirect impacts occur in the lower tier suppliers and induced impacts occur at the local businesses that supply products to the employees and their families in the jobs supported in the supply chain.



Multiplier Effect of Walmart's Diverse Spend

Direct Impact at Walmart's

Diverse Suppliers

Walmart's purchased \$13.4 Billion from diverse businesses in the US. These purchases supported 40,687 jobs and \$2.2 Billion in wages and benefits at these businesses.

Indirect Impact

These small and diverse businesses purchased \$3.8 Billion in goods and services from their suppliers and supported an additional 21,817 jobs.

Induced Impact

The employees in supported jobs generated \$3 Billion in economic activity and supported 23,191 jobs in their communities.



Accelerating Our Commitment to Diverse and Minority Suppliers

Walmart and Sam's Club are committed to supporting the long-term growth and success of diverse and minority-owned businesses. We've heard loud and clear from current and potential diverse suppliers that the biggest challenge to achieving growth is the ability to gain access to working capital. That's why we're proud to announce, in partnership with C2FO, an expanded early payment program that provides these suppliers with convenient and consistent access to reliable funding sources.






Building on our existing early payment programs, this new option launches with the goal of making access to working capital affordable, transparent and more equitable by offering qualified diverse or minority-owned suppliers faster payments from us at our lowest rates. The simple interface, provided by technology platform C2FO, enables suppliers to hand-select the invoices they would like to request early payments on. Walmart will independently fund this opportunity at the outset, with plans to team up with leading global and minority-owned banks to provide additional funding capabilities.

Walmart and Sam's Club have been focused for many years on identifying, onboarding and fostering diversity within our supplier network to best serve customers and members. Our Supplier Inclusion Program provides qualifying companies equal footing to work with us, while at the same time growing their own business. Last year, Walmart Inc. sourced more than \$13.1 billion in goods and services from diverse suppliers and has committed with the Walmart Foundation \$100 million over the next five years to the Walmart.org Center for Racial Equity.

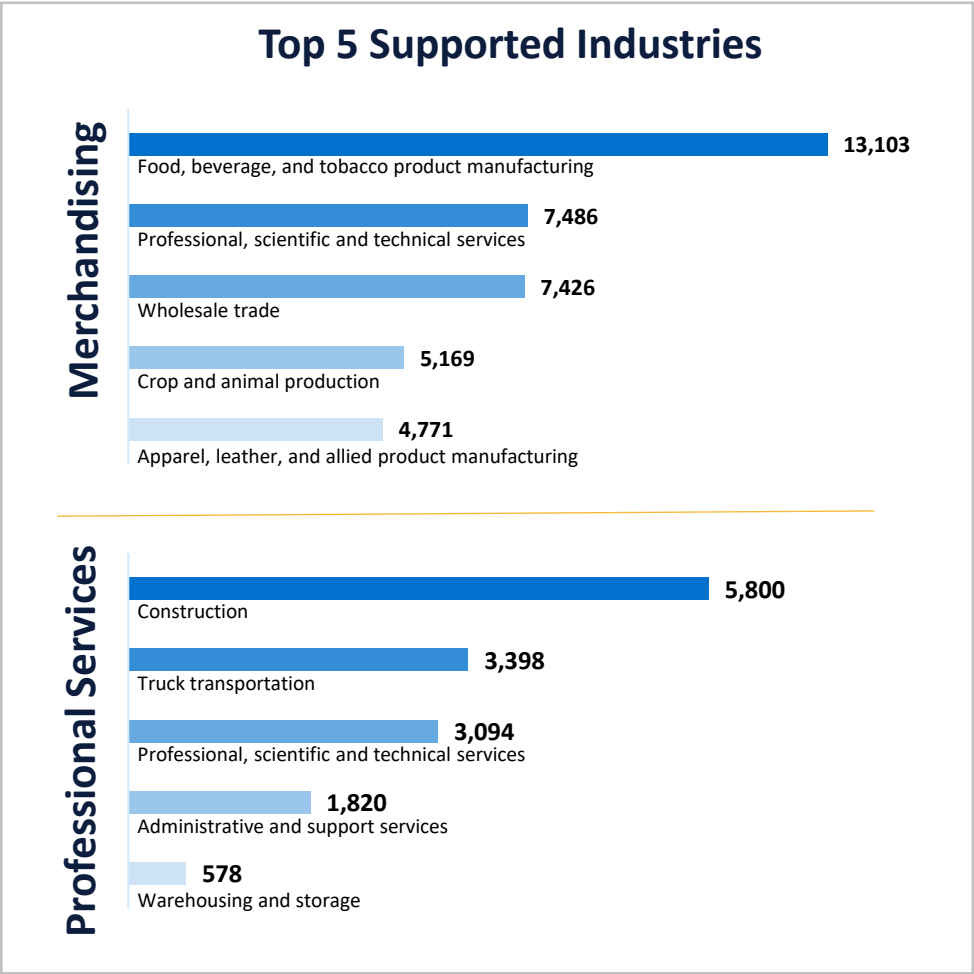
Today's retail environment is particularly unique, and more than ever, businesses need to constantly change and grow to keep pace with customer needs. Through this latest effort, Walmart and Sam's Club can help build equity and foster greater awareness of diverse and minority suppliers.



Walmart's Direct Impact on Diverse Suppliers

				
WOMEN OWNED BUSINESS	MINORITY OWNED BUSINESS	VETERAN OWNED BUSINESS	LGBT OWNED BUSINESS	DISABLED OWNED BUSINESS
<p>\$4.7B</p> <p>SPEND</p>	<p>\$8.5B</p> <p>SPEND</p>	<p>\$1.2B</p> <p>SPEND</p>	<p>\$97.5M</p> <p>SPEND</p>	<p>\$412.4M</p> <p>SPEND</p>
<p>17,846</p> <p>JOBS</p>	<p>19,943</p> <p>JOBS</p>	<p>6,206</p> <p>JOBS</p>	<p>233</p> <p>JOBS</p>	<p>3,551</p> <p>JOBS</p>
<p>\$927.3M</p> <p>INCOMES</p>	<p>\$1.2B</p> <p>INCOMES</p>	<p>\$285.7M</p> <p>INCOMES</p>	<p>\$14.9M</p> <p>INCOMES</p>	<p>\$139.2M</p> <p>INCOMES</p>

The Economic Impact of Walmart's Supplier Inclusion Program in 2021



	Merchandising	Professional Services
Total Output	\$17.5B	\$2.7B
Jobs Supported	68,074	17,621
Incomes	\$3.7B	\$927.7M
Taxes	\$4B	\$838.5M

Supplier Spotlight: Pacific Rim Capital, Inc.



Marc Mills
Pacific Rim Capital CEO

As one of the premier African American owned companies in North America, Pacific Rim Capital (PRC) finances over \$400 million in equipment annually and has nearly \$2 billion in assets under management. Established in 1990, PRC specializes in leasing equipment in the material handling, warehouse automation, over-the-road, renewable energy, and IT categories. The company's diverse workforce differentiates itself by combining competitive rates with data analytics and a proprietary asset tracking technology to mitigate equipment obsolescence and optimize useful life, thereby providing alternatives to traditional bank financing.

PRC streamlines the equipment ordering process, funding, and asset

tracking protocols, allowing the largest producers and end users of goods and materials in the world to concentrate on manufacturing and distribution their products to commercial and retail consumers. One of the keys to PRC's success has been creating an environment where associates receive the training and education to succeed in the financial services industry.

PRC has expanded on the above core competencies and practices through a team approach to seamlessly integrate a financial solution for Walmart Global Procurement and Walmart Fleet Services. PRC was awarded the lease financing of 10,000 containers and was able to align on allocation and funding with the OEM in record time which enabled Walmart to load and

ship units out of China without delays.

In addition, PRC supports several community-based organizations like the Aquarium of the Pacific's African American Scholar Program, Providence Mission Hospital, and the Patriotic Service Dog Foundation. PRC is also a major supporter of the National Minority Supplier Development Council's "In This Together" campaign to encourage minority business education and development.

PRC's CEO, Marc Mills, believes business leaders have a responsibility to grow successful businesses, but also to contribute to society by providing opportunities for all people and by investing in communities.

Supplier Spotlight: Bijoux International Inc. (Eastsport)



Our bags, your life. This is the mission statement of 35+ year industry-leading accessory designer and manufacturer, Bijoux International Inc. In 1982, Angela Han, President/CEO and proud owner of Bijoux International, started designing, selling and producing products for the U.S. market. Not long after, Walmart took notice, started a partnership and began selling their products to its customers. From early on, Ms. Han had a strong connection with Walmart, even adopting a quote from Mr. Sam: **“Exceed your customer's expectations. If you do, they'll come back over and over. Give them what they want - and a little more.”**

Bijoux International’s bags stand for quality and innovation at an incredible value in modern, active styles that perform for life. Being a diverse-owned company enables their team to leverage their diverse background to express themselves and use their voices to innovate, expand brands and include new product offerings at the speed of the changing business.

Bijoux International continues to be Walmart’s top volume backpack supplier year over year in the Accessories department. They were a crucial partner during Back to School/College, supporting special orders for store community shopping events totaling more than 5,000 backpacks. They also donated more than 300 backpacks to the WNBA NY Liberty charity event for Back to School.

From clear and mesh backpacks to designs made to carry your life, Bijoux International is ready to support Walmart’s customers with quality, innovative bags at an incredible price.

Supplier Spotlight: Cost Farms



Costa Farms was founded on 30 acres by Jose Costa Sr., an immigrant from Cuba, and is now a 61-year-old, fourth-generation family-run farm proudly growing plants in Miami. The company has now grown to more than 5,000 acres and has become the world's largest houseplant grower.

Costa Farms is dedicated to growing the highest quality plants for anyone who wants to cultivate their green thumbs. They make our plants accessible to all, while inspiring self-expression and teaching the skills to be successful. Their Walmart-exclusive Plants with Benefits™ (targeted to Gens Y and Z) calls out plants' health/wellness aspects. To make their plants more accessible to more consumers and drive omnichannel sales, they opened a 90,000-square-foot eCommerce fulfillment center in 2022 to ship plants grown at farms across Florida, North Carolina and South Carolina.

Walmart proudly awarded Costa Farms with the Diversity and Inclusion award for their investment in and celebration of their team and culture. Costa Farms has a rich diversity and heritage of team members who hail from around the world and strongly feature women in leadership - from the EVP of horticulture to those heading departments across the company. Costa Farms partners with Alfalit International to provide employees with math and reading skills, and they hold an annual health fair to provide free personalized and preventative screenings for their team members.

The Costa Farms team is grounded in humility, rooted in hustle and hungry to grow plants a cut above the rest. This drives them to have a "Love Where You Work" culture where we create a positive impact on our team and the surrounding communities.

Supplier Spotlight: Milo's Tea



Milo's Tea Company was founded in 1946 by Milo Carlton and was based on basic principles of always listening to the customer and never sacrificing quality or taste. These ideas still guide the certified women-owned company that is now run by Milo's granddaughter, Tricia Wallwork. She attributes the company's success to its people-over-profit culture that drives operational excellence and creates loyal brand consumers with its consistent-tasting high quality, real ingredients.

The Milo's partnership with Walmart began in 1989 and over time has become the #1 selling refrigerated tea at Walmart and in the U.S. Last year, a new carafe line of Milo's Tea launched exclusively to Walmart and drove \$3MM of revenue in 15 weeks. Milo's agility and commitment to operational excellence contributes to the growth the category, which has increased POS sales 60% at Walmart this year.

Milo's cares about nurturing people and planet as much as it cares about fresh brewing tea. Nearly 40% of Milo's workforce is proudly made up of women and people of color, and the company prioritizes diverse suppliers to increase its impact. With more than 600 associates across the country, Milo's recognizes the impact it has on people development within the beverage industry and offers robust learning and development for its associates as well as 100% fully paid family health insurance. Beyond taking care of their associates, Milo's has donated millions of dollars and products to charitable organizations in the communities it serves through its 1% profit pledge. The company is a trailblazer in sustainability as the first Platinum Zero Waste Certified manufacturer in Alabama and the only manufacturer with such a certification in Oklahoma.

Economic Impact Modeling Methodology

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income, and employment.

There are several Input-Output models used by economists to estimate multiplier effects. supplier.io employed the IMPLAN input-output model in developing estimates of spend, income and employment impacts. This model, initially developed by the U.S. Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some wages and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

Analysis performed by **supplier.io**

Assumptions

This analysis relies on the following assumptions:

For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.

For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier’s primary NAICS code.

A supplier impact is assumed to be localized within a state.

The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and incomes at specific companies.

References

This report is based on an analysis of data provided by the customer and information from the following sources:

US Government Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n

IMPLAN (<https://implan.com>)

United States GDP: <http://www.tradingeconomics.com/united-states/gdp>

RIM II User Guide - A essential tool for regional developers

and planners: https://www.bea.gov/sites/default/files/methodologies/RIMSII_User_Guide.pdf

Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II

Multipliers <https://www.bea.gov/system/files/papers/WP2012-3.pdf>