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Our purpose is to save people money so they can live better.

Walmart provides access to high-quality, affordable food and other essential products to people around the world. We strive to do this in a way that enhances economic opportunity, promotes long-term environmental and social sustainability, and strengthens local communities. We believe this approach creates value — for our business and for society.

Our values

• Respect for the individual
• Service to the customer
• Strive for excellence
• Act with integrity

How we will execute

• Make every day easier for busy families
• Sharpen culture and become more digital
• Operate with discipline
• Make trust a competitive advantage

Our stakeholders

• Customers
• Associates
• Communities
• Shareholders

To learn more, visit the investor relations section of our website.

Walmart Investors
Why are we doing this?
Why are we launching big efforts like Project Gigaton™? Why did we set ambitious goals such as creating zero waste and using 100% renewable energy? Why, as a retailer, have a position on human rights? Why issue an Environmental, Social & Governance Report every year to track progress?

Well, as with many things at Walmart, the WHY of it starts with our founder, Sam Walton.

Twenty-seven years ago, President George H.W. Bush traveled to Bentonville to present Sam with the Presidential Medal of Freedom. It was a pinnacle moment for Walmart, and our founder shared a few powerful and timeless thoughts. He provided a forward-looking purpose for our company that drives us today:

“If we can, why, we'll lower the cost of living for everyone — not just in America, but we'll give the world an opportunity to see what it’s like to save and have a better lifestyle and a better life for all.”

Sam said “and.” Our purpose is to help give people all over the world the opportunity to save “… AND have a better lifestyle AND a better life for all.”

Some have described Sam as a merchant with a servant’s heart. During his life, he gave back to the communities where we had stores and, as the scale of the company has grown, our desire to strengthen communities and make a difference in the world continues on.

Sam made those comments in 1992. In 2005, our President and CEO Lee Scott painted a vision of “21st Century Leadership” and challenged us to expand our thinking and impact. He said, “For us there is no distinction between being a responsible citizen and a successful business. They are one and the same for Walmart.”

What Sam and Lee said applies now more than ever. We believe it’s important to run our business in a way that generates lasting value for our customers, our associates, our shareholders and for society more broadly.

To many of us today, trust seems in short supply. Institutions, including business, especially big business, are being questioned. We see it in the headlines. We think that people want to trust again but, of course, trust has to be earned. People want to see companies doing good in the world, and people want to work for companies they believe in. Business should serve more than just one stakeholder group. It’s not enough to just serve shareholders or just serve customers; rather, the opportunity for businesses and their leadership is to add value for all stakeholders. We’ve felt that way for a long time and we’ve been taking action, but we’re challenging ourselves to make even better choices and do more.

We’re investing in our associates through wages along with better educational opportunities, benefits and training. For example, since the first U.S. Walmart Academy opened in 2016, more than
800,000 associates have gone through training. And we expanded our parental-leave and adoption policies and raised starting wages again. As of last year, a full-time hourly associate in the U.S. who gives birth to a child is eligible for up to 16 weeks of paid time away.

We’re launching new efforts to be more sustainable. Earlier this year, we announced a plan to reduce plastic waste in the packaging for our private brands. By 2025, we aim to use 100% recyclable, reusable, or industrially compostable packaging for our private brands in the U.S.

We’re continuing our fight against hunger. Four years ago, Walmart and the Walmart Foundation committed to providing 4 billion meals through funding and food donations by 2020. We are ahead of schedule.

And we’re working to source responsibly and improve supply chain conditions. For example, we’re proud to be a founding member in 2013 of the Alliance for Bangladesh Worker Safety, which concluded its commitment last year. Over the past five years, 90% of high-priority remediation items were complete across all factories affiliated with the Alliance and almost 1.6 million workers have been trained in fire safety. We continue to collaborate with stakeholders to improve the lives of workers in the global supply chain.

In the end, we all must answer one simple question: What valuable purpose did we serve? Either as an individual or as a company, which is simply a collection of individuals, what good did we do for the world?

Walmart is nearing the end of its sixth decade. We’ve been around a while, and with longevity comes a perspective and vision beyond next week. We’re in it for the long haul. And we understand that for a business to last, it must have a fundamental reason for being, which is found in the value it creates for all—customers, associates, communities, shareholders, suppliers, future generations ... and the planet.

Remember, Sam said “and.” This is the And.

Doug McMillon
President and Chief Executive Officer
Walmart Inc.
Business exists to serve society. For Walmart, this is true in many ways: providing customers with convenient access to affordable food and other products; employing associates; helping suppliers grow their businesses that in turn employ others; generating tax dollars that help support community life; providing a return to shareholders.

The most successful businesses do such things but go one step further — they aim in the long term to improve the systems on which they rely, such as retail workforce development or food supply chains. Why? Not only to build customer trust, but also to enhance supply security, improve the quality of products and services, manage costs and expenses more effectively, generate new revenue streams, and attract and retain talent. Strengthening these systems is not only the responsible thing to do — it maximizes business value.

By many measures, there has never been a better time to be alive than today. Yet society faces many challenges. While global prosperity has increased, so has inequality; and studies point to a skills gap that needs to be addressed to help people advance economically, especially as evolving technologies change the nature of work. Meanwhile, increasing global demand is placing unsustainable pressure on the climate and natural ecosystems, challenging us all to shift from a “take-make-dispose” system of production and consumption to a circular, regenerative approach.

That’s why our approach to environmental, social and governance (ESG) issues goes beyond minimizing our own footprint or mitigating risk. We take a more transformative approach: working to spark collective action in an effort to alter the sector in the long term for environmental, social and economic sustainability.

So in the case of economic opportunity for retail associates, for example, we aim not only to help people enter the workforce with competitive wages, but also to help them build skills needed to advance, whether at Walmart or beyond. We want to build a skills-based employment system, with ladders of opportunity, at scale, that is inclusive and reflective of our communities.

And when it comes to human rights in supply chains, we aim not only to source responsibly, but also to work with others to rewire chains for social sustainability — for example, improving Bangladesh factory safety through our work with the Alliance, or fighting modern slavery in seafood through our work with the Seafood Task Force and the Leadership Group for Responsible Recruitment.
With respect to climate change, we want to address our own operations while galvanizing collective action across the retail supply chain to bend the curve on emissions — working with suppliers in an attempt to avoid a gigaton of greenhouse gas emissions by 2030 through initiatives in energy, waste, agriculture, packaging, natural capital and product design.

In this report, you will find a summary of our aspirational goals and recent progress related to our priority ESG issues. For example, since our last report, we conducted our first climate risk assessment and have advanced toward our science-based targets for emissions reduction; we have launched new initiatives in waste reduction, particularly related to plastic. Inspired by the United Nations (U.N.) Guiding Principles on Business and Human Rights, we published our first human rights statement to make it easier to see how we respect human rights across our business. We continue to strengthen our retail associate proposition and make strides working with others toward the social and environmental sustainability of multiple supply chains.

As always, we welcome your feedback and your collective action in helping to transform retail systems for long-term environmental, social and economic sustainability.

Kathleen McLaughlin
Chief Sustainability Officer, Walmart Inc. and President, Walmart Foundation
Walmart has been reporting on a wide range of ESG topics since 2005. We did not seek, nor was there, external assurance from third parties with respect to most of the information in this report; exceptions are noted.

Frameworks such as the Global Reporting Initiative (GRI) Standards, the United Nations (U.N.) Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) inspire our reporting.

We also disclose to external reporting programs such as CDP. In 2018, we received an A- on our climate change disclosure.

This report covers the activities of Walmart for the fiscal year ending January 31, 2019 (FY2019) unless otherwise noted. This ESG Report responds to stakeholder requests for a more concise and focused view of our priority topics — how we define them and the long-term strategy to manage them; our aspirational goals and targets; and progress to date. “Walmart” means Walmart Inc., a Delaware corporation and its consolidated subsidiaries, excluding eCommerce subsidiaries, businesses, platforms and/or marketplaces, unless otherwise noted.

We provide additional information on a variety of ESG topics in the resources below:

- Global Ethics
- Human Rights Statement
- Global Responsibility website
- Walmart Sustainability Hub
- Responsible Sourcing
- Culture Diversity & Inclusion Report
- Corporate Policies
- Walmart.org
Forward-looking statement

This report contains certain forward-looking statements based on Walmart management’s current assumptions and expectations, including statements regarding our sustainability targets, goals, commitments and programs and other business plans, initiatives and objectives. These statements are typically accompanied by the words “could,” “hope,” “believe,” “estimate,” “plan,” “aspire” or similar words. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties and factors. Such risks, uncertainties and factors include the risk factors discussed in Item 1A of our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”), as well as, with respect to our sustainability targets, goals, and commitments outlined in this report or elsewhere, the challenges and assumptions identified in this report under the heading Challenges to achieving aspirational goals, commitments & targets and other assumptions, risks, uncertainties and factors identified in this report. You should consider the forward-looking statements in this report in conjunction with our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Walmart urges you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. Walmart cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.
Our approach to environmental, social and governance (ESG) topics is rooted in our company’s purpose to save people money so they can live better.

**Key elements of our approach**

**Creating shared value**
Embedded in our purpose is the principle of shared value: We increase business value by helping to address important needs in society and, conversely, we can help transform society through our business. For example, better ESG practices can enhance customer trust, catalyze new product lines, increase productivity, reduce costs and secure future supply, while simultaneously improving livelihoods, advancing economic mobility and opportunity, reducing emissions and waste, and restoring natural capital.

**Salient issues**
We set ESG priorities based on relevance to our company purpose, key categories and markets; Walmart’s ability to create change; and relative importance to our customers and other stakeholders.

**Whole-systems change**
To maximize shared value, we aim not only to run a good retail business, but also to make large-scale and lasting improvements to the ecosystems most salient to our business. Walmart has a unique ability to make a difference through our strengths, including our approximately 2.2 million associates around the world, supplier relationships, jobs, purchase orders and expertise.

**Business leadership**
We drive and track performance against our social and environmental priorities through our everyday business activities. For example, we track performance toward our diversity goals through our human resources activities, and toward our aspirational renewable energy goals through real estate and operations activities. ESG initiatives are embedded throughout our company in our business planning and performance management cycle, operating policies, organization roles and coordinating mechanisms, project governance, and systems and tools (e.g., the Sustainability Index).
**Aligned philanthropy**
Our corporate giving and the Walmart Foundation's programs complement our business initiatives by seeking to help accelerate social and environmental transformation. In FY2019, through a combination of in-kind and cash gifts, Walmart gave more than $1.4 billion to projects that create opportunity, enhance sustainability and strengthen communities.

**Collective action**
Since we believe that collective action is essential to transforming systems, we shape our ESG programs in collaboration with other leaders and stakeholders. Project Gigaton, the Retail Opportunity Network and the Sustainability Index are just a few examples of large-scale, system-wide collaborations we have helped create.
Our ESG priorities are grounded in our long-term business strategy and account for macro-economic, social and environmental trends. These priorities are where we see the most opportunity for shared value.

Stakeholders provide valuable insight into our priorities. In 2014, we formally engaged stakeholders through our materiality review process. The results informed our 2025 commitments, where we committed to progress in topics such as associate opportunity, social challenges in supply chains, environmental sustainability, human rights and community resiliency.

Materiality, as used in the context of this report and our materiality review process, is different than the definition used in the context of filings with the SEC. Issues deemed material for purposes of this report, and for purposes of determining our ESG strategies, may not be considered material for SEC reporting purposes.

We conduct regular updates through ongoing stakeholder engagement and dialogue. We address numerous ESG issues through our business, in partnership with others and through philanthropy, and we provide information on those throughout this report. Three issues that rise to the top of our priority list include: (1) economic opportunity for Walmart associates; (2) the safety and livelihoods of workers in supply chains; and (3) climate change.

**Economic opportunity**

Workforce development is one of the biggest issues facing economies around the world, especially as technology accelerates the pace of change for the jobs of today and tomorrow.

Because the retail industry provides a point of entry into the job market for millions of workers, it has the potential to act as a springboard for economic mobility if workers can gain the experience and skills required to advance.

Our workforce development approach focuses on access, stability and mobility. For example, Walmart U.S. provides an entry point into work for thousands of associates; competitive wages and strong benefits (from healthcare to retirement savings); and access to affordable education opportunities relevant for advancement in retail jobs. With the emergence of automation and artificial intelligence, our training and development programs become even more relevant for workforce success, as they help equip associates with critical 21st century skills.

As described in more detail later in this report, our efforts are underpinned by a commitment to fostering a culture of diversity and inclusion throughout our company. By investing in a more diverse and dynamic workforce, we hope to keep pace with evolving customer demands, while also acting as a force for economic inclusion.

Learn more in the Retail opportunity section.
Social issues in the supply chain

With retail operations in 27 countries, Walmart’s supply chain includes more than 100,000 suppliers across the globe. Walmart respects human rights in the supply chain. Our Responsible Sourcing team, working with and through our suppliers, mitigates risks related to worker safety and well-being. We set expectations for our suppliers through our Standards for Suppliers and use audits to help assess whether our standards are being upheld. We also evaluate our global supply chain using internal and external data, risk assessments of particular regions, countries, commodities or products, and guidance from industry experts and non-governmental organizations.

Recognizing the need for whole-system transformation in a number of retail supply chains industry-wide, Walmart has committed to use our ability to bring together stakeholders including industries, civil society, governments and international organizations, to address the major potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025. Based on our analyses and where we believe Walmart can have the greatest impact, we’ve identified the following five supply chains:

- Produce in the U.S. and Mexico
- Shrimp in Thailand
- Tuna processed in Thailand
- Apparel in Bangladesh
- Electronics sourced for the U.S. retail market supply chain

Learn more about our action in the Responsible supply chains section.

Climate change

We believe climate change is likely to affect national economies and supply chains around the world through potential effects such as lower crop yields, increased health costs and storm damage. According to The Sustainability Consortium, 60% of all greenhouse gas (GHG) emissions worldwide come from the global production and use of consumer goods. With operations and a value chain that span the globe, we aim to galvanize collective action to reduce emissions, while taking steps to strengthen the resilience of our business.

Accordingly, we have set a science-based target that covers our GHG emissions footprint: We aim to reduce emissions in our operations (Scopes 1 and 2) by 18% by 2025 from 2015 levels; and we are working with suppliers to reduce or avoid emissions in our supply chain by 1 gigaton by 2030 through an initiative known as Project Gigaton.

Learn more about our actions in the Climate change section.
Challenges to achieving aspirational goals, commitments & targets

The aspirational goals, commitments and targets we set under priority topics are designed to help Walmart aim high, hold ourselves accountable and move at an aggressive pace. Our public ESG commitments galvanize action across our business through senior-level oversight, policies and programs. We hold ourselves accountable through metrics, measurement and annual reporting, including the annual publication of our ESG Report. In 2016, our CEO Doug McMillon announced our 2025 commitments and targets. These are laid out in greater detail at the beginning of the Environmental and Social sections of this report.

ESG issues are complex. We believe that setting goals and driving action toward meeting them is necessary to advance progress on many environmental and social issues facing society. Because success depends on the collective efforts of many, as well as factors such as technical advances, policy changes, economic and price volatility, and supplier engagement, there may be times where we fall short. While we strive in each case to meet our goals and targets, sometimes challenges may delay or block progress.

### ENVIRONMENTAL CHALLENGES

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>EXAMPLE CHALLENGES</th>
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<tbody>
<tr>
<td>Climate change</td>
<td>• Public policies that affect supply or cost of renewable energy projects</td>
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<td></td>
<td>• Changes to local energy grids</td>
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<td>• Weather patterns increasing days requiring facility heating or cooling</td>
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<td>• Evolution of refrigeration technology</td>
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<td>• Shifts in Walmart asset base or category mix</td>
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<td></td>
<td>• Supplier willingness and capacity to implement and measure emissions reductions projects</td>
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<tr>
<td></td>
<td>• Lack of enforcement of laws and regulations</td>
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<td></td>
<td>• Innovation in manufacturing or agriculture technologies</td>
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<td>• Alignment of scientific community on measurement approaches</td>
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<tr>
<td>Sustainable supply chain</td>
<td>• Complexity of commodity supply chains</td>
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<tr>
<td></td>
<td>• Innovation in manufacturing, agriculture and other product production technologies</td>
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<td></td>
<td>• Adoption of supply chain traceability practices and tools (e.g., vessel monitoring and blockchain)</td>
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<td></td>
<td>• Pricing and availability of certified products</td>
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<td></td>
<td>• Supplier willingness and capacity to adopt sustainable practices</td>
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<td></td>
<td>• Financial trade-offs (e.g., cost, capital and revenue)</td>
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<td>• Materials innovation (e.g., flexible films)</td>
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<tr>
<td>Waste</td>
<td>• Data and insights into drivers of waste across the supply chain</td>
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<td>• Public policy regarding waste prevention and management</td>
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<td></td>
<td>• Quality of recycling and waste management infrastructure in local markets</td>
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<td></td>
<td>• Volatility of market for recycled materials (demand, supply and cost)</td>
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<td></td>
<td>• Technological innovation in packaging materials, waste management</td>
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<td></td>
<td>• Capital and operating cost of implementing waste management technologies</td>
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<td></td>
<td>• Alignment of industry around packaging solutions</td>
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<td></td>
<td>• Ability to scale waste management processes, tools and behaviors across thousands of facilities in multiple markets</td>
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## SOCIAL CHALLENGES

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>EXAMPLE CHALLENGES</th>
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<tbody>
<tr>
<td>Retail opportunity</td>
<td>- Acceptance among retailers of the business case for investing in frontline upskilling&lt;br&gt;- Engagement of associates in building capabilities relevant for advancement&lt;br&gt;- Alignment among employers on the importance of building career pathways and credentials that reflect needed skills for advancement</td>
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<tr>
<td>Responsible supply chains</td>
<td>- Upstream risks beyond the reach of traditional responsible sourcing tools&lt;br&gt;- Complexity of supply chains&lt;br&gt;- Diverse responsible sourcing stakeholders with sometimes conflicting expectations</td>
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<tr>
<td>Safer, healthier food &amp; other products</td>
<td>- Consumer expectations and demand&lt;br&gt;- Pace of innovation in product development</td>
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As a retailer, our company performance depends on direct and frequent engagement with our customers, associates and community leaders, as well as the people who supply our products, hold our stock and evaluate our performance. Stakeholder perspectives and feedback help improve the relevance and effectiveness of the products and services we offer, and the initiatives we support.

### STAKEHOLDERS & THEIR ESG PRIORITIES

| Stakeholders & ESG research analysts | • Enterprise strategy and long-term stock performance  
  • Environment: climate and waste  
  • Social: associate training and wages, responsible sourcing | • Governance: ethics and compliance, and executive compensation  
  • Regulatory and trade environment |
|---|---|---|
| Suppliers | • Growing their business  
  • Understanding Walmart’s standards  
  • Responsible sourcing  
  • Emissions, deforestation, water and waste | • Packaging  
  • Safer and healthier products  
  • Opportunity for diverse suppliers |
| Communities | • Local economic impact: taxes, jobs, sourcing and affordable products  
  • Support for local organizations  
  • Disaster response and resilience | • Food security  
  • Emissions, waste and natural capital |
| Customer | • Everyday low price: affordable food and products  
  • Associate training, wages and benefits  
  • Healthy, environmentally friendly products | • Local sourcing and responsible sourcing  
  • Community: hunger, disaster relief and veterans  
  • Transparency |
| Associates | • Job stability and mobility, including wages, benefits, training and promotions  
  • Inclusive workplace | • Community: local giving, hunger and disaster relief |
| NGOs, grantees & advisory councils | • Issues vary by group  
  • Associate opportunity  
  • Inclusion  
  • Emissions, waste and natural capital | • Responsible sourcing  
  • Disaster response and resilience  
  • Hunger relief  
  • Plastic waste |
Environmental
Environmental highlights

Walmart and Sam’s Club U.S. suppliers have improved their Sustainability Index scores by **28%** compared to 2016.

6.1% reduction in Scopes 1 and 2 annual greenhouse gas emissions in 2017 compared with 2015.

78% of waste diverted from landfills and incineration.

As of the end of FY2019, we achieved a supplier participation rate in the Sustainability Index that covers **80%** of the goods we sell in U.S. Walmart stores and Sam’s Club locations for categories where the Sustainability Index is available.

An estimated **28%** of electricity from renewable sources.
# Our environmental goals

<table>
<thead>
<tr>
<th>PRIORITIES</th>
<th>MAJOR PUBLIC GOALS</th>
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<tbody>
<tr>
<td><strong>Climate change</strong></td>
<td>Achieve an 18% emissions reduction in our own operations by 2025, compared to a 2015 baseline.</td>
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<td>By 2030, work with suppliers to reduce or avoid carbon dioxide equivalent (CO$_2$e) emissions from Scope 3 by 1 gigaton from global value chains.</td>
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<td>Be powered by 50% renewable sources by 2025.</td>
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<td>In FY2017, Walmart and the Walmart Foundation pledged $25 million in cash and in-kind donations to support disaster preparedness and relief through 2020.</td>
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<td><strong>Sustainable supply chain</strong></td>
<td>More sustainably source 20 key commodities by 2025.</td>
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<td><strong>Waste</strong></td>
<td>Achieve zero waste$^1$ to landfill from our own operations in key markets, including the U.S., U.K., Japan and Canada by 2025 in accordance with the Zero Waste International Alliance guidelines.</td>
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<td>As of February 2019, we have committed to work with our U.S. private-brand suppliers to:</td>
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<td>• Achieve 100% recyclable, reusable or industrially compostable packaging in all Walmart private-brand products by 2025.</td>
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<td>• Target at least 20% post-consumer recycled content in private-brand packaging by 2025.</td>
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<td></td>
<td>• Label 100% of food and consumable private-brand packaging with the How2Recycle$^1$ label by 2022.</td>
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For more details about our progress on these environmental goals please read further and refer to the [ESG commitments & progress chart](#) in the back of this report.
Climate change

QUICK FACTS

- First retailer to announce a science-based target to reduce greenhouse gases in alignment with the Paris Agreement
- A- on 2018 CDP climate change disclosure
- 6.1% reduction in Scopes 1 and 2 annual greenhouse gas emissions in 2017 compared with 2015
- Carbon intensity (Scopes 1 and 2 per revenue): 37.3 metric tons (MT) CO$_2$e/$1 million in FY2018, a decrease of 7.2% from FY2017
- Electric vehicle chargers available at 110 retail locations across 29 states
- Under Project Gigaton, we aim to work with suppliers to avoid 1 billion metric tons of greenhouse gases from the global value chain by 2030 (Scope 3)
- To date, more than 1,000 suppliers have formally signed on to Project Gigaton
- In 2018 alone, more than 380 suppliers reported avoided CO$_2$e emissions totaling 58,904,206 MT
- In the first two years of Project Gigaton, suppliers reported avoided CO$_2$e emissions totaling 93,656,639 MT

Policies & resources

- Environmental sustainability statement
- Deforestation policy
- Walmart Sustainability Hub
- Corporate policies
According to the Intergovernmental Panel on Climate Change (IPCC), human-caused greenhouse gas (GHG) emissions are the leading contributor to rising global temperatures and other signs of climate change. To avoid the worst effects of climate change, the Paris Agreement calls for collective action across society to limit global temperature increases to between 1.5 and 2 degrees Celsius.

At Walmart, we are focused on reducing emissions in our operations, engaging suppliers to reduce emissions in supply chains, strengthening the resilience of our business and using our voice to advocate for collective action.

**Climate change impact scenario analysis**

To better understand the nature of climate change and potential implications for the retail sector, we conducted a climate scenario analysis, working with an independent third-party consultant; we aimed to align with the scenario guidance set forth by the Task Force on Climate-related Financial Disclosures (TCFD).

The analysis considered two scenarios for global warming: 2° C (the upper end of the range targeted by the Paris Agreement) and 4° C (often called “business as usual”). Each scenario looked out to the years 2030 and 2050, making assumptions about four climate variables: temperature, drought/water stress, extreme weather events and sea level. The analysis modeled potential effects of these variables on aspects of retail business operations such as store heating and cooling requirements; crop yields (e.g., bananas, corn, lettuce, tomatoes, wheat, cotton); and storm damage to stores and distribution centers.

The analysis made many simplifying assumptions. For example, each variable was considered in isolation. The analysis did not consider second- or third-order effects. It also did not consider potentially offsetting impacts of new technologies, mitigating actions or new business opportunities. While the limitations of the analysis mean that it can’t be used to predict net long-term impact on financials or business operations, it nevertheless helped to validate our current business strategies and initiatives for energy demand, commodity sourcing, value chain innovation, water management and resiliency.

We discussed the analysis with teams across our business and the Nominating and Governance Committee of the Walmart Board. For more information on this analysis, please see our 2018 CDP climate change disclosure.

**Climate change mitigation**

We believe mitigating the effects of climate change will require collective action to reduce GHG emissions. Because most emissions in the retail sector lie in product supply chains rather than in stores and distribution centers, we have committed to pursue substantial emissions reduction not only in our own operations but also across product supply chains, by catalyzing and supporting initiatives among suppliers, NGOs, customers and others at scale.
Sustainable operations

We have set a science-based target\textsuperscript{12} to reduce GHG emissions in our own operations (Scopes 1 and 2) by 18% by 2025 (compared with 2015 levels) through multiple initiatives. These include increasing the energy efficiency of our buildings, aiming to power 50% of our operations with renewable energy by 2025, improving the performance of our refrigeration systems and maximizing the sustainability of our fleet.

We are on track to meet our goals. As of 2017, we had reduced emissions by 6.1% compared with 2015 levels.\textsuperscript{13} Also, renewable sources supplied an estimated 28% of our electricity needs globally;\textsuperscript{14} this includes generation from more than 520 projects across eight countries, 18 U.S. states and Puerto Rico. Based on our pipeline of solar and wind projects, we expect to source 35% of our electricity from renewables by 2020.

\[\text{Annual greenhouse gas emissions (Scopes 1 & 2)}^{15}\]

\[\text{Carbon intensity (Scopes 1 & 2)}^{16}\]
**Project Gigaton™**

Beyond our direct operations, we aim to galvanize transformative action through Project Gigaton, a global effort that invites suppliers to join us in a commitment to avoid 1 billion metric tons of emissions in our collective value chains by 2030. Launched in 2017, Project Gigaton engages suppliers in setting targets and pursuing initiatives to avoid emissions in any of six areas where there are opportunities to do so: energy use, sustainable agriculture, waste, deforestation, packaging and product use.

We worked with the World Wildlife Fund (WWF) on the overall concept and design, as well as the Environmental Defense Fund (EDF), Conservation International (CI), The Nature Conservancy (TNC), the Sustainable Packaging Coalition (SPC) and CDP to connect suppliers to measurement methodologies, guidance and practical tools to help them reduce emissions. The program builds upon lessons learned from initiatives Walmart has undertaken with suppliers and NGOs in the past, such as our [20 million metric ton initiative](#).

Walmart established an external review process to support continual improvement of the methodologies to account for avoided emissions from Project Gigaton. A steering committee with subcommittees of technical experts from CDP, EDF, SPC, WWF and others lead the review process. To learn more about the platform, tools, resources and measurement methodology visit Project Gigaton on the [Walmart Sustainability Hub](#).

We are currently on track to achieve our gigaton goal. To date, more than 1,000 suppliers have formally signed on to the project. In 2018 alone, 382 suppliers reported avoiding 58,904,206 MT of emissions, totaling 93,656,639 MT toward the 1 gigaton target in the first two years of the program. We encourage suppliers to set specific, measurable, actionable, relevant and time-bound (“SMART”) goals, because we believe they lead to substantially better results over time; to date, 47% of Project Gigaton suppliers have set such goals.

In the coming year, we plan to focus on attracting additional suppliers and broadening the scope of initiatives across programmatic areas. While the program is on track, nearly 80% of reported avoided emissions were related to energy (under the Energy or Product Use action areas). Fewer have made commitments related to Deforestation or Sustainable Agriculture, where success requires influencing a disparate set of actors far upstream in the supply chain, addressing interdependencies and barriers in complex social and economic systems, and gaining alignment with others regarding methodologies for measurement and action. We are working with suppliers and non-governmental organizations (NGOs) to support the development of tools to enable some improvement in these areas.

"Project Gigaton is the biggest and best example of a company encouraging its suppliers to be part of the solution to climate change. Through Walmart’s scale, collaboration and innovation, it continues to lead the way on actions that create both business and environmental value."

—FRED KRUPP | PRESIDENT, EDF
Project Gigaton action areas
Suppliers can make commitments and pursue initiatives in one or more of six areas:

1. Energy
We encourage suppliers to avoid energy-related emissions in two ways: first, reduce energy demand through optimization and efficiency; and second, to transition to energy sources that are renewable and emit little to no carbon. At the close of FY2019, our suppliers reported avoiding 25.2 million MT of emissions through work on energy.

The Walmart Factory Energy Efficiency Program (FEEP) is an example of how practical tools can facilitate emissions reductions in supply chains. Through FEEP, we promote the use of McKinsey & Company’s Resource Efficiency Deployment Engine (RedE), a web-based tool designed to help suppliers identify, prioritize and implement energy efficiency projects. At the close of FY2019, more than 940 factories had joined the RedE system; active users report saving more than $29 million in annual operating expenses and avoiding 199,854 MT of annual CO₂e emissions.

2. Waste
Food, product and material waste in factories, warehouses, distribution centers and farms contributes to GHG emissions. Reducing and diverting waste from landfills can increase operating efficiency and lower costs. We encourage suppliers to reduce or eliminate waste from their operations, address post-harvest losses on farms, standardize date labeling, extend product shelf life and educate customers about preventing food waste. Through philanthropy, we have also made investments to assess and reduce waste in food production and distribution. For example, the Walmart Foundation provided funding to the World Resources Institute to implement and accelerate adoption of its Food Loss and Waste Protocol, a publicly available approach to measure food waste and loss. See the Waste section of this report for more information on our efforts to reduce waste in our operations and product value chains.

3. Packaging
Project Gigaton invites suppliers to avoid emissions — as well as drive down waste — by reducing unnecessary packaging, optimizing packaging materials and increasing the reuse and recycling of packaging.

Walmart is taking specific aim at plastics, with expanded waste reduction commitments for our U.S. private brands — commitments that are expected to impact an estimated 30,000 items for sale. Read more about our work to address plastic packaging in our value chain in the Waste section of this report.

One example of progress: In FY2019, more than 800 Walmart private label suppliers signed up for the How2Recycle® label (compared with only 100 in FY2018), and more than 16,000 Stock Keeping Units (SKUs) received the How2Recycle label.

4. Agriculture
By pursuing and encouraging suppliers to adopt best practices in areas such as manure management, enteric emissions, feed inputs and other activities in animal agriculture, along with fertilizer optimization in crop production, we estimate there is a potential to impact 20% to 30% of our Project Gigaton GHG emissions goal by 2030 while reducing waste and improving yield.

We have been working with many of our suppliers to support efforts to reduce emissions through fertilizer optimization. Collectively, suppliers have committed 36 million acres of land in these programs. Additionally, as part of our engagement with the Midwest Row Crop Collaborative, we supported the enrollment of over 140 demonstration farms in the Soil Health Partnership, an organization helping farmers use tools to identify, test and measure management practices for improving soil health.

5. Deforestation
Walmart invites suppliers to join us in working to reduce deforestation through innovative sourcing strategies and the use of technology to increase transparency and supply chain accountability. For example, some suppliers are participating in place-based, multi-stakeholder initiatives that are intended to reduce forest loss and degradation.
Project Gigaton participant Unilever committed to supporting work in Sabah, Malaysia as part of its strategy to achieve a deforestation-free supply chain and avoid emissions. Unilever will help certify 60,000 hectares to the Roundtable on Sustainable Palm Oil (RSPO) standards in Sabah as part of a program led by Forever Sabah, WWF Malaysia and the Palm Oil & NGO (PONGO) Alliance.

We also support certifications to reduce forest loss and improve sustainability of commodities such as palm oil, pulp and paper, as well as Brazilian beef and soy. In 2015, based upon supplier reported data, 100% of our private-brand palm oil was sourced through a combination of RSPO certification criteria, including Mass Balance, Segregated, Identity Preserved and Credits. In 2017, we strengthened our efforts and set a more ambitious goal to source our private-brand palm oil in accordance with the principles and criteria of RSPO, using only Mass Balance or Segregated supply chain systems, or equivalent standards, by the end of 2020.

6. Product use & design

Designers, manufacturers and brands have an opportunity to help customers lower the GHG emissions associated with their use of a product (and often saving customers money at the same time). In Project Gigaton, we ask suppliers to commit, in particular, to improving the in-use energy efficiency of their products.

Walmart has collaborated with suppliers on product innovations that have helped consumers reduce emissions — such as working with suppliers to popularize LED lightbulbs. More recently, Project Gigaton participant Procter & Gamble announced a commitment to cut 50 million metric tons of emissions from its operations and value chain by 2030. As part of that commitment, the Tide #QuickColdPledge encourages customers to switch to quick and cold laundry cycles.

For more on how suppliers are demonstrating progress through Project Gigaton, visit our Supplier Recognition page.

Climate change adaptation

With operations and a value chain that span the globe, we are incorporating resiliency planning and initiatives into parts of our business to help address the effects of climate change.

Resilient sourcing

In some cases where the availability or quality of commodities is susceptible to climate variables such as drought, storms and temperature, we are working with our buyers, distribution teams and suppliers on resiliency plans. For example, in our food business, we are working with produce suppliers on strategies such as using greenhouses to grow tomatoes and leafy greens, pioneering techniques to better manage growing conditions, improving yields and reducing the need for fertilizers.
**Disaster response & resiliency**

Through Walmart’s Emergency Operations Center (EOC) and Walmart’s planning and operational practices, we identify, assess, triage and respond to natural disasters, including epidemiological issues, and security events that affect Walmart operations, associates and the communities we serve.

The EOC operates 24 hours a day, 7 days a week to identify emerging risks, help facilities and associates prepare for disasters, monitor the development of crises, and serve as a triage point for emergencies in our stores or offices around the world. The EOC activates cross-functional subject matter teams throughout our business to prepare for and respond to disasters quickly and effectively.

The EOC core team includes experts in emergency management who regularly train associates across the enterprise. We use data and predictive analytics to identify and assess weather and environmental risks. This data aids in disaster preparedness and helps maintain or quickly restore operations. In major disasters, we can deploy an array of internal resources, including mobile generators, fuel resources, trucks and associates who can help to manage our corporate response to the crises on the ground. Through the EOC’s efforts to coordinate with local, state and federal governmental agencies, as well as nonprofits and volunteer organizations around the world, Walmart is able to determine how it can help support local communities in the face of disaster.

**Philanthropy**

In the past two years, Walmart and the Walmart Foundation gave nearly $50 million in cash, water, food and other products to support victims of hurricanes, wildfires and tornadoes. Additionally, during the same time period, Walmart raised $44 million in donations from customers to support hurricane relief. We also fund the development of technologies that enhance situational awareness and enable coordination among first responders, such as RC View.

Learn more about our Disaster Relief program at [Walmart.org](https://www.walmart.org).
QUICK FACTS

Walmart and Sam’s Club U.S. suppliers have improved their Sustainability Index scores by 28% compared with 2016.¹⁹

As of the end of FY2019, we achieved a supplier Sustainability Index participation rate that covers 80% of the goods we sell in U.S. Walmart stores and Sam’s Club locations for categories where the Sustainability Index is available.

According to supplier reports, nearly 100% of Walmart U.S. stores’ and clubs’ seafood selection is sourced in accordance with our sustainable seafood policy.

The Sustainability Index

Our aspirations for sustainable product supply chains go beyond managing risk in our own sourcing; we aim to bring about significant and lasting improvement across product supply chains through collaborative efforts with suppliers, NGOs and others.

Walmart encourages suppliers to report through the Sustainability Index, a science-based, third-party tool developed by The Sustainability Consortium in collaboration with universities, NGOs and suppliers. The Index includes data from suppliers on key environmental, social and other performance indicators at the category level (e.g., field tomatoes, proteins and cotton textiles). The Index reflects responses from more than 1,500 unique suppliers covering 115 categories and departments across Walmart U.S. and Sam’s Club U.S.

We set a goal in 2012 to buy 70% of our U.S. goods from suppliers that participate in the Index (in categories covered by the Index). We met that goal in 2017, and in 2018, more than 80% of such goods came from participating suppliers. Walmart and Sam’s Club U.S. suppliers have improved their Sustainability Index scores by 28% compared with 2016.²⁰
**20x25**

20x25 means we aspire to source at least 20 key commodities more sustainably by 2025, across the following:

- Fresh produce
- Animal agriculture
- Seafood
- Specialty commodities such as coffee, tea and cocoa
- Row crops
- Consumables, such as personal care products
- Apparel/textiles

We have prioritized the 20x25 commodities based upon a variety of factors, including the nature and magnitude of environmental and social improvement opportunities (as informed by Sustainability Index data and feedback from stakeholders); business opportunity and risk (e.g., sales, supply security, cost issues or reputation risk); and Walmart’s ability to convene suppliers and others to promote change. In each case, we are working with suppliers, NGOs and others to understand the current state and pursue initiatives to advance environmental and/or social indicators.

The Index is one of several tools we use to help us make progress on 20x25. As an example, the chart to the right illustrates the category scorecard for consumables suppliers. A Walmart buyer can use this scorecard to identify improvement opportunities for individual suppliers and spotlight issues for category-wide initiatives, such as sustainable chemistry and packaging design.

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### Illustrative example of how we use the Sustainability Index: Consumables, health & wellness — top 10 supplier category scorecard

<table>
<thead>
<tr>
<th>PRIORITY CHEMICALS</th>
<th>PACKAGING</th>
<th>DEFORESTATION</th>
<th>INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure</td>
<td>Chemicals management program</td>
<td>Ingredient evaluations</td>
<td>Sustainable design</td>
</tr>
<tr>
<td>Supplier A</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supplier B</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Supplier C</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supplier D</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Supplier E</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supplier F</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supplier G</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supplier H</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supplier I</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supplier J</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>
We also pursue strategic initiatives for system-wide improvements in product value chains. For example, because our customers told us they want more innovative product formulations, we launched a Sustainable Chemistry initiative with suppliers, retailers and NGOs. The chart provides additional examples of special initiatives.

### Philanthropy

We look to philanthropy as a means of catalyzing change in areas not reached through business initiatives. For example, we have made targeted grants supporting innovative approaches to regenerative agriculture, sustainable fisheries, forest preservation and waste reduction.

Learn more at [Walmart.org](https://www.walmart.org).

#### Example initiatives Walmart is pursuing with suppliers & others

<table>
<thead>
<tr>
<th>PRODUCT CATEGORIES</th>
<th>WORKING CONDITIONS</th>
<th>ENVIRONMENT</th>
<th>SAFER &amp; HEALTHIER PRODUCTS</th>
<th>TRANSPARENCY</th>
</tr>
</thead>
</table>
| Produce            | • Providing recommendations for and encouraging responsible recruitment practices (e.g., Leadership Group for Responsible Recruitment)  
• Helping align industry associations around a common approach to responsible practices (e.g., Ethical Charter; Consumer Goods Forum)  
• Market access for small producers  
• Collaborating with industry stakeholders (e.g., Association of Professional Social Compliance Auditors) | • Upstream and downstream food waste reduction  
• Certification programs  
• Sustainable package design and recycling  
• Protected growing environments  
• New varieties that enhance customer experience, improve yields and decrease environmental impacts  
• Water use efficiency | • Making healthier options more affordable  
• Making healthier choices easier  
• Providing nutrition education  
• Promoting food safety (e.g., China food safety) | • Blockchain pilot  
• Sustainability Index  
• Third-party certifications on packaging, where appropriate |
| Meat & dairy       | • Feed grain sourcing principles  
• Better practices in manure management, enteric emissions and feed inputs  
• Elimination of net deforestation due to beef production  
• Project Gigaton | | | |
<table>
<thead>
<tr>
<th>PRODUCT CATEGORIES</th>
<th>WORKING CONDITIONS</th>
<th>ENVIRONMENT</th>
<th>SAFER &amp; HEALTHIER PRODUCTS</th>
<th>TRANSPARENCY</th>
</tr>
</thead>
</table>
| Seafood            | • Collaborating with industry stakeholders (e.g., Seafood Task Force)  
• Supporting initiatives to counter forced labor in the Thai seafood supply chain  
• Providing recommendations and encouraging responsible recruitment practices | • Third-party certifications (e.g., MSC)  
• Addressing overfishing and bycatch | • Food reformulation (e.g., sugar, additives) | • Third-party certifications on packaging, where appropriate  
• Sustainability Index |
| Packaged food & row crops | • Sourcing from diverse suppliers | • Research into jurisdiction approaches  
• Fertilizer optimization to improve soil health and water quality  
• Sustainable package design and recycling  
• Investments in recycling infrastructure  
• Project Gigaton | • Great for You private-brand labeling in U.S. stores  
• Third-party certifications on packaging, where appropriate  
• Sustainability Index |
| Specialty crops | • Providing recommendations and encouraging responsible recruitment practices | • Third-party certifications (e.g., RSPO)  
• Water use efficiency  
• Sustainable package design and recycling | | • Leveraging third-party certifications, where appropriate  
• Sustainability Index |
| Consumables | • Encouraging reduction of Priority Chemicals  
• Elimination of deforestation due to pulp and paper production  
• Sustainable package design and recycling  
• Project Gigaton | • Advancing sustainable chemistry  
• Third-party certifications, where appropriate | | • Encouraging chemical ingredient disclosure  
• Sustainability Index |
<table>
<thead>
<tr>
<th>PRODUCT CATEGORIES</th>
<th>WORKING CONDITIONS</th>
<th>ENVIRONMENT</th>
<th>SAFER &amp; HEALTHIER PRODUCTS</th>
<th>TRANSPARENCY</th>
</tr>
</thead>
</table>
| Apparel & textiles | • Collaborating in the industry to promote safer working conditions in ready-made garment industry  
  • Providing recommendations and encouraging responsible recruitment practices  
  • Collaborating with industry stakeholders | • Factory energy efficiency  
  • Energy and water use in apparel mills  
  • Project Gigaton  
  • Every Day Low True Cost products |  | • Sustainability Index  
  • Higg Index |
| General merchandise | • Providing recommendations and encouraging responsible recruitment practices  
  • Sourcing from diverse suppliers | • Designing for product efficiency and end-of-life  
  • Project Gigaton  
  • Factory energy efficiency  
  • Elimination of deforestation due to pulp and paper production  
  • Sustainable package design and recycling  
  • Supporting investments in recycling infrastructure |  | • Leveraging third-party certifications, where appropriate |
Waste

Our work aims to break the link between the growth of our business and the production of waste. In 2005, Walmart set an aspirational goal to achieve zero waste in our own operations. By 2025, we aim to achieve that goal in Canada, Japan, the U.K. and the U.S. In 2018, we diverted 78% of our unsold products, packaging and other materials from landfill and incineration globally. We also work with our suppliers to reduce waste through Project Gigaton.

Two areas of particular focus are plastic and food waste. In addition to addressing plastic and food waste in our operations, we are working with suppliers upstream and building capacity with consumers and other organizations to eliminate waste downstream.

**QUICK FACTS**

- In the U.S., we diverted 81% of our unsold products, packaging and other waste materials from landfills and incineration.
- Globally, we diverted more than 1.6 billion pounds of food waste from landfills.
- Recycled more than 430 million pounds of plastic film and rigid plastics globally.
- Donated more than 720 million pounds of food globally, which includes 640 million pounds in the U.S.

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**Policies & resources**

Walmart Sustainability Hub: Waste

Walmart Sustainability Hub: Packaging

Sustainable Packaging Playbook
Plastic waste

While plastic provides numerous benefits in areas such as food safety and packaging flexibility, society has been unable to collect and recycle plastic at the same rate as it is produced. According to the Ellen MacArthur Foundation, in 2016, less than 14% of plastic packaging was collected for recycling globally, with the rest ending up in landfills, rivers and oceans.

Plastic waste in our operations

Walmart’s aspiration is to achieve zero plastic waste. We are taking actions across our business to use less plastic, recycle more and support innovations to improve plastic waste reduction systems. For example, we aim to use reusable packing containers instead of disposable packaging whenever possible. When we do use disposable packaging, we try to recycle as much of it as possible. In 2018, we recycled 430 million pounds of plastic film and rigid plastics globally.

Plastic waste in our value chain

Approximately 40% of non-fiber plastic produced is used in packaging, the majority of which is used once and discarded. We have asked our suppliers to reduce unnecessary plastic packaging, increase packaging recyclability and increase recycled content, and to help us educate customers on reducing, reusing and recycling plastic.

As of February 2019, we have committed to work with our U.S. private brand suppliers to:

- Achieve 100% recyclable, reusable or industrially compostable packaging in all Walmart private-brand products by 2025
- Target at least 20% post-consumer recycled content in private-brand packaging by 2025
- Label 100% of food and consumable private-brand packaging with the How2Recycle® label by 2022
- Eliminate the non-recyclable packaging material PVC in general merchandise packaging by 2020
- Reduce private brand plastic packaging when possible

We encourage our national brand suppliers to make similar packaging commitments through Project Gigaton; we engage them on sustainable packaging best practices to support the creation and achievement of such goals.
To encourage customers to recycle, we have asked suppliers to put more consumer-friendly recycling information on packaging. In the U.S., Walmart encourages use of the Sustainable Packaging Coalition’s How2Recycle® label; in 2019 Walmart Canada announced a commitment to use this label on all private brand products by 2025.

Beyond packaging, we are also working to offer access to low-cost, high-quality alternatives for single-use plastic consumable products and plastic bags.

We participate in the plastic working group at the [Consumer Goods Forum](https://www.consumergoodsforum.com) and we support The UK Plastic Pact; we are also signatories to the [New Plastics Economy Global Commitment](https://www.newplasticseconomy.org).

To learn more about our initiatives to eliminate waste, including our Sustainable Packaging Position Statement and Playbook, see the [Walmart Sustainability Hub](https://sustainability.walmart.com/), [Walmart Canada](https://www.walmart.ca) and [Walmart Mexico](https://www.walmart.com.mx).

### Food waste

We are inspired by the U.N. Sustainable Development Goal 12.3 to halve per capita global food waste at the retail and consumer level and reduce food losses along production and supply chains by 2030. Our end-to-end approach for addressing food waste includes pursuing best practices in our operations, building capacity in the broader food recovery system, working with suppliers upstream and empowering consumers downstream.

#### Food waste in our operations

We aim for Zero Waste in our operations in Canada, Japan, the U.K. and the U.S., which encompasses food waste. We are a signatory to the [Consumer Goods Forum’s Food Waste Resolution](https://www.consumergoodsforum.com/foodwaste) and a member of the [U.S. Food Loss and Waste 2030 Champions](https://www.usfoodlosswaste.org), both of which seek to halve food waste. In FY2019, Walmart Canada committed to achieve zero food waste by 2025.

The primary way we reduce food waste in our operations is by working to increase the sell-through rate. In the U.S., for example, we have strengthened our forecasting and ordering tools to improve inventory flow, adjusted store fixtures to increase turnover and customer appeal, made enhancements in our distribution centers, and provided our store associates with resources and education on how to better care for food and manage it at the end of shelf life. We are seeing results. In FY2019, we had 90 million fewer wasted units in our fresh departments in the U.S. as compared with last year.

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### Philanthropy

To help reduce plastic waste in the U.S., the Walmart Foundation has made targeted investments to support materials innovation, recycling collection and/or sortation infrastructure and consumer education. For example, the Walmart Foundation has supported the U.S. Chamber of Commerce Foundation’s Beyond 34 project, an initiative aimed at increasing the U.S. recycling rate.

Learn more at [Walmart.org](https://www.walmart.org).
We have also created a customized field-to-store network for highly perishable products, which is designed to reduce days in transit and increase freshness for customers. To support this network, we introduced specialized upstream nodes to consolidate products, which allow fresh produce to move faster through every step of the transportation process. While decreasing inventory and waste, our produce moves through our Speed Fresh Supply Chain up to 1.8 days faster.

Additionally, in several markets, we adjust our product specifications to accept size and other cosmetic variations that don’t affect the quality of fresh produce. For example, our Asda stores in the U.K. sell cosmetically imperfect, or “ugly,” fruits and vegetables under a variety of labels. In FY2019, Asda sold more than a million boxes of this produce, avoiding 1.5 million pounds of waste.

In Canada, China, Japan, the U.K. and the U.S. we offer discounts on food that is close to its expiration date, including meat, bakery, dry goods and dairy. In FY2019, we sold more than 320 million units through these programs in the U.S., saving our customers money and helping prevent food waste.

When food goes unpurchased, Walmart works to maximize its use by getting it to people and places that need it. In addition to donating food to food banks and other charities, Walmart and the Walmart Foundation have donated funds to purchase equipment to increase the capacity of the charitable meal system to transport and deliver fresh food. In FY2019, we donated 640 million pounds of food in the U.S. alone.

If food is no longer edible, we try to convert it to animal feed, compost or energy. Our Asda stores, for example, are recycling food into energy by taking inedible unsold food to anaerobic digestion plants, where it is broken down into gases that can be used as fuel and fertilizers.

In 2018, we diverted more than 1.6 billion pounds of food waste from landfills globally. We also received a B, the highest score among U.S. supermarkets assessed, in the Center for Biological Diversity’s...
study on food waste. The study reviewed American supermarkets’ food waste reduction commitments, policies and actions.

Food waste in our value chain
We undertake efforts to help eliminate food waste in our value chains beyond our own operations. As noted above in the discussion of fresh supply chain improvements, our efforts include reducing days in the supply chain from point of origin to store. As well, through Project Gigaton, Walmart is encouraging our suppliers to measure and report food waste; introduce reprocessing, donation and recycling practices; and standardize date labeling (when the date is required for quality reasons only) to eliminate customer confusion. In FY2018, 92% of our private-brand products in the U.S. used “Best If Used By” date labels unless a food safety or regulatory reason prevented us from doing so. Beyond our private-brand suppliers, we also advocate for other suppliers to standardize date labels across their brands in line with the Consumer Goods Forum’s Date Labeling Call to Action.

Philanthropy
The Walmart Foundation’s philanthropic investments help drive system-wide change by investing in prevention efforts to stop food waste and loss from occurring, and the recovery and redistribution of edible food that would otherwise go to waste, specifically from farms and retail settings. The Walmart Foundation made a commitment to award $15 million to organizations that help reduce food waste and strengthen food banks in Canada from FY2017 through FY2020; more than $11 million has been allocated so far. The Walmart Foundation has also supported organizations such as the World Wildlife Fund in conducting research and analyzing policies that advance solutions for preventing food waste and loss.

Learn more at Walmart.org.

For more information on our work to reduce food waste, please visit our Global responsibility website.
Environmental advocacy

Walmart engages in advocacy and coalitions to promote environmental public policy that aligns with our shared value business objectives. Examples include:

- **We Are Still In:** To promote the aims of the Paris Climate Agreement after the announcement of the U.S. withdrawal, Walmart joined an initiative called We Are Still In. This is a signal to world leaders that Americans will not retreat from the global pact to reduce emissions and stem the causes of climate change.

- **Renewable Energy Buyers Alliance:** We are members of this coalition that brings together purchasers and suppliers of renewable energy to make the process of transitioning to cleaner energy sources easier.

- **Paris and Bonn negotiations:** We participated in the United Nations Climate Change Conferences in 2015 and 2017 to collaborate with international stakeholders in advancing environmental issues around the world.

- **Global Forest Watch Pro:** To promote transparency and traceability across our supply chains, in 2017, Walmart joined the World Resources Institute and 20 other companies to launch Global Forest Watch Pro, an online platform that provides companies, banks and other stakeholders with data and tools for monitoring global forest loss because of the production of key commodities such as palm oil, soy and Brazilian beef.

- **Consumer Goods Forum:** We are a member and our CEO serves on its Board of Directors. This organization promotes collaboration between consumer goods retailers and manufacturers to drive positive change on issues such as climate change and forced labor.
Social
Social highlights

- The average wage of a full-time, hourly field associate in our Walmart U.S. stores as of March 2019 is $14.26.

- The average total compensation and benefits per hour for a full-time, hourly field associate in our Walmart U.S. stores is $19.31.

- 55% of Walmart’s total U.S. workforce is female.

- 44% of total U.S. workforce are people of color.

- More than 75% of our Walmart U.S. store operation management team members started as hourly employees.

- Walmart store managers earn an average of $175,000 per year in the U.S.

- In FY2019, Walmart conducted more than 140,000 independent food safety audits at our stores and clubs globally.

- Walmart is a signatory of CATALYST CEO CHAMPIONS FOR CHANGE.
## Our social goals

<table>
<thead>
<tr>
<th>PRIORITIES</th>
<th>MAJOR PUBLIC GOALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail opportunity</td>
<td>By 2025, Walmart U.S. will put millions of associates through focused training programs to equip them with skills to improve career growth, from entry-level positions to jobs with more responsibility and higher pay. Training programs include Pathways and Walmart Academy.</td>
</tr>
<tr>
<td></td>
<td>$100 million philanthropic commitment from the Walmart Foundation and Walmart to make it easier for frontline employees in the retail and adjacent sectors to gain new skills and advance in their careers (achieved).</td>
</tr>
<tr>
<td></td>
<td>Signatory to Catalyst CEO Champions for Change; CEO Action for Diversity &amp; Inclusion; Paradigm for Parity.</td>
</tr>
<tr>
<td>Responsible supply chains</td>
<td>Walmart has committed to use our ability to bring together stakeholders, including industries, civil society, governments and international organizations, to address the major potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025.</td>
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<tr>
<td>Inclusive sourcing</td>
<td>By the end of 2026, we want responsible recruitment to be the standard business practice for employers throughout the global supply chain.</td>
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<td>In 2016, Walmart and the Walmart Foundation committed to invest $25 million in projects to advance food safety in China over five years.</td>
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<td>In 2014, Walmart and the Walmart Foundation set a goal to provide nutrition education to 4 million people by 2020.</td>
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<td></td>
<td>Between 2014 and 2019, provide 4 billion meals to those who need them through grants from Walmart and the Walmart Foundation and food donations from Walmart stores, Sam’s Club locations and distribution centers.</td>
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<tr>
<td></td>
<td>By 2022, we aim to reduce the chemical footprint in personal care, beauty, baby, pet and household cleaning categories in U.S. stores by 10%.</td>
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</table>

For more details about our progress on these social goals please read further and refer to the [ESG commitments & progress chart](#) in the back of this report.
As Sam Walton created the company that has developed into the Walmart we know today, he wanted to provide customers access to affordable products, so they could save money to live better. He talked about wanting to “take care of our associates” and support the vision customers hold for their communities. While Sam used his own words, a respect for human rights corresponds with the core values he instilled in our company.

**Human rights statement**

For many years, our perspectives and initiatives that underscore our respect for human rights were described across a number of statements (e.g., Supplier Code of Conduct) and documents (e.g., Ethics and Compliance Report). In November 2018, we published Walmart’s first **Human Rights Statement**, which consolidates our perspectives in one place.

As part of our work to develop our Human Rights Statement, we convened a cross-functional Steering Committee as well as a Working Group who:

- Reviewed a variety of international instruments including, but not limited to, the United Nations (U.N.) Universal Declaration of Human Rights, the International Labor Organization’s 1998 Declaration on Fundamental Principles and Rights at Work, and the U.N. Guiding Principles on Business and Human Rights
- Reviewed stakeholder feedback from research and consultations
- Obtained and incorporated feedback from human rights subject matter experts
- Considered analysis of Walmart conducted by a number of third parties, including Shift, Corporate Human Rights Benchmark, Know the Chain and Oxfam
- Reviewed the work of other companies, both those in our peer industry group and those that are considered leaders in human rights, to understand and compare their approach to ours
Our Human Rights Statement confirms our respect for human rights and articulates how our four values inform our approach to human rights throughout our corporate activities, with a focus on our associates, customers, supply chain and the communities in which we operate.

The statement was approved by the company’s Board of Directors in 2018. We have shared it with associates via team meetings, presentations, social media and other outreach. After publication of this report, we expect to expand our communication efforts with our associates and suppliers.

Human rights: governance and implementation

In 2018, we launched a cross-functional Human Rights Steering Committee, comprised of Walmart leaders from Global Responsibility; Human Resources; Labor Relations; Responsible Sourcing; Culture, Diversity & Inclusion; Government Affairs; Communications; and Legal. This group oversees and guides our human rights approach at an enterprise level, which includes identifying our priority issues across the enterprise. In addition, this group provides a cross-functional perspective on the company’s approach to ongoing implementation of our Human Rights Statement, such as through policies and procedures, and offers guidance and counsel to relevant stakeholders as part of that process.

The Steering Committee is supported by a Human Rights Working Group, which meets regularly and consists of members from each department as noted above. Last year, the Steering Committee and Working Group focused on:

- Developing our Human Rights Statement
- Mapping the various policies and procedures we have in place to help mitigate potential human rights issues
- Consulting a variety of human rights subject matter experts for their insights
- Identifying our salient human rights issues

We have identified several steps to continue advancing our work on human rights at Walmart, including:

- Assess potential adverse human rights impacts and the relevant processes in place
- Integrate relevant findings into policies and procedures
- Track progress as part of Walmart’s efforts to continuously improve
- Communicate with relevant internal and external stakeholders for insight on our progress and priorities
- Adjust our human rights priorities as needed

External stakeholders

We value and routinely engage external stakeholders for their perspectives on human rights.

For example, as we developed our Human Rights Statement, we spoke with subject matter experts from BSR, Interfaith Center on Corporate Responsibility, Institute for Human Rights and Business, New York University Stern Center for Business & Human Rights and Shift. We also engaged others through dialogue (e.g., Issara Institute and International Justice Mission through efforts combating forced labor) and forums (e.g., U.N. Business and Human Rights Conference, Concordia, and Consumer Goods Forum).
Salient human rights issues

To identify and prioritize our salient human rights, we reviewed issues and approaches described in several instruments, such as the U.N. Guiding Principles on Business and Human Rights, as well as pertinent industry business disclosures. We then considered:

- Relevance to our company purpose
- Key categories and markets
- The potential scale of the human rights issue
- Walmart’s ability to make a difference

Based upon our analysis, we have prioritized four salient human rights issues associated with our activities, each of which encompasses several aspects. This report provides more detail regarding our aspirations and initiatives.

<table>
<thead>
<tr>
<th>SALIENT HUMAN RIGHTS ISSUES</th>
<th>KEY ASPECTS</th>
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<tbody>
<tr>
<td>Treating workers with respect</td>
<td>• Pay; working hours</td>
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<td></td>
<td>• Freedom of association and collective bargaining</td>
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<td></td>
<td>• Meaningful opportunities for workers to be heard</td>
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<tr>
<td>Promoting a safe &amp; healthy work environment</td>
<td>• Physical safety and security of work premises</td>
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<td>• Freedom from workplace abuse</td>
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<td>• Healthy work environments</td>
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<td>Providing a fair &amp; inclusive work environment</td>
<td>• Prevention of discrimination and harassment</td>
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<td></td>
<td>• Diversity and inclusion</td>
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<td></td>
<td>• Gender equity</td>
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<tr>
<td>Combating forced &amp; underage labor</td>
<td>• Forced labor, including debt bondage</td>
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<td></td>
<td>• Underage labor</td>
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<td></td>
<td>• Vulnerability of migrant workers; responsible recruitment</td>
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<td></td>
<td>• Human trafficking</td>
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</table>
Grievance

Walmart employs several grievance mechanisms to solicit, assess and address the concerns of associates, customers, workers in the supply chain, people in communities where we operate and other stakeholders: anonymous hotlines; email and websites; direct engagement in small groups and surveys; a process we call “Open Door”; sentiment and content analysis of public social media postings; and assessment of facility audits.

We triage inquiries and allegations received through these channels, routing them to the appropriate teams for further consideration or action. In some cases, we open a formal investigation, using internal investigators or a third party, depending on the nature of the allegation. We work to see that concerns are appropriately addressed in a timely manner.

We also monitor the number and types of inquiries and allegations received through these and other channels. This information helps us to understand where we may need to strengthen policies or procedures.

We encourage stakeholders to raise concerns and to report activities they suspect may contravene the values and positions we express in our policies and statements. We will not retaliate against any party for raising concerns in good faith.

For additional information about the mechanisms we have in place to hear concerns, please visit the following sections of this report:

- Associate voice
- Sourcing responsibly
- Ethics & compliance

We are also mindful that human rights abuses can be the result of systemic issues, increasing the complexity of issue resolution. As an example, in 2013, Walmart was a founding member of the Alliance for Bangladesh Worker Safety, which provided extensive fire safety training; gave access to a 24-hour, confidential helpline to report safety and other job-related concerns; and supported extensive remediation of factory safety issues. According to the Alliance’s fifth annual report, 90% of high-priority remediation items were complete across all factories affiliated with the Alliance and nearly 1.6 million workers have been trained in fire safety. More than 1.5 million workers now have access to the 24-hour confidential helpline. While the Alliance’s commitment ended in 2018, Walmart remains dedicated to worker safety in Bangladesh.

Walmart’s next steps

In this next year, we expect to:

- Continue to broadly communicate our Human Rights Statement with our associates and suppliers as well as customers and the communities in which we operate so that they may be familiar with the concepts and values within it.
- Continue to engage human rights thought leaders and stakeholders to help us advance our initiatives and improve our effectiveness.
- Continue to develop our reporting, as we learn more about what our associates and stakeholders would like to know.
Retail opportunity

One of society’s greatest challenges is helping workers gain the skills and knowledge they need to succeed in the jobs of today and prepare for the jobs of tomorrow.

Today, millions of jobs are left unfilled as employers struggle to find workers with the skills needed to fill open positions. In the coming decades, growth in automation will likely exacerbate the skill development challenge as technology drives rapid change in the types of jobs available for workers and the capabilities they need to fulfill those roles.

The retail sector — as a foundational entry point to work, a place to gain valuable skills and a significant portion of the overall job market — provides a gateway to upward mobility for millions of people and can help address the global need for workforce development. Recognizing this, Walmart is committed to helping make retail a place of opportunity: a launching pad for people to acquire the skills and experience needed to advance in the workforce.

QUICK FACTS

Access to employment

Approximately 2.2 million associates in thousands of communities around the world

Stability

The average wage of a full-time, hourly field associate in our Walmart U.S. stores as of March 2019 is $14.26

Average total compensation and benefits for a full-time, hourly field associate in our Walmart U.S. stores is $19.31 per hour, including wages, bonuses and benefits

$793 million in bonuses delivered to full- and part-time hourly associates in our Walmart U.S. stores

The majority of the hourly associates in our Walmart U.S. stores are full-time

We’ve reduced our Walmart U.S. store associate turnover by 10% or 1000 bps, the lowest level in five years

We have more than 35,000 people working in our U.S. stores in roles that didn’t exist two years ago
Mobility

- Opened nearly 200 Walmart Academies in the U.S.
- More than 800,000 employees trained in Walmart Academies as of March 2019 since program’s inception
- More than 850,000 U.S. employees trained in Walmart Pathways since program’s inception
- Promoted more than 215,000 people to jobs of greater responsibility and higher pay in Walmart U.S. stores in Fiscal Year 2019
- More than 75% of our Walmart U.S. store operation management team members started as hourly employees
- Walmart store managers earn an average of $175,000/year in the U.S.

Diversity & inclusion

- 55% of total U.S. workforce is female
- 43% of U.S. management is female
- 26% of Information Technology and Engineering workforce is female
- 44% of associates with revenue-producing responsibility are women
- 44% of total U.S. workforce are people of color
- 33% of U.S. management are people of color
- 34% of associates with revenue-producing responsibility are people of color
- 16% of associates with revenue-producing responsibility are women of color

Policies & resources

- Human Rights Statement
- Statement of Ethics
Retail opportunity at Walmart

Walmart offers a wide variety of career opportunities, low barriers to entry, competitive wages and benefits, and paths to advancement through on-the-job coaching, training and education. By helping associates acquire the skills they need to advance, we aim to offer a distinctive employee value proposition among retailers.

Our workforce philosophy is formed around three foundational pillars — access to employment, stability and mobility — designed to lead people from entry to opportunity while forging a model for addressing global workforce development challenges. We’re seeing the results of this approach in the U.S.:

- Turnover in our Walmart U.S. stores is down more than 10% or 1000 bps — the lowest level in five years.
- Nearly three out of four associates would refer friends or family to Walmart for employment.
- As of year-end FY2019, we promoted more than 215,000 associates to jobs with more responsibility and higher pay in Walmart U.S. stores.
- As of FY2019, more than 75% of our store operations management team members began as hourly associates.
- On average, a Walmart store manager makes $175,000 per year.

Access to employment

Entry-level jobs provide economic opportunity and a pathway to upward mobility for many people. Such pathways are especially critical at a time when, according to the Georgetown Center on Education and the Workforce, job opportunities for lower-skilled workers across the U.S. economy have decreased.

Walmart provides jobs for over 1 million people the U.S. (and over 2 million worldwide). For many of our entry-level hourly positions, we do not require degrees and we have “banned the box” to lower barriers to entering the workforce. And we provide opportunities for associates to learn important and transferable job skills, advance their education, and even gain college credit — all while earning a paycheck.

Stability

In addition to providing an entry to employment, we strive to help associates maintain job stability so they are encouraged to stay with Walmart and are positioned to grow their skills and knowledge on the job. For example, in the U.S., we aim to do this by providing competitive pay and benefits, enhancing scheduling, and improving job design, leveraging technology to make jobs more rewarding. In a U.S. associate survey from FY2019, 74% shared that they feel they were able to plan or request their schedule far enough in advance to balance their work and personal life. Specific stability initiatives in the U.S. include the following:

Pay

- We have raised our starting wages in the U.S. by more than 50% over the past three years.
- 100% of our U.S. associates earn above the federal minimum wage (which is currently $7.25/hour); newly hired associates start at $11 per hour or more, while key department manager roles can earn as much as $24.70 per hour.

- The average wage of a full-time, hourly field associate in our Walmart U.S. stores as of March 2019, is $14.26 per hour.66
- Average total compensation and benefits for a full-time, hourly field associate in our Walmart U.S. stores is $19.31 per hour, including wages, bonuses, and benefits such as paid time off.67
- In FY2019, $793 million in bonuses were delivered to full- and part-time hourly associates in our Walmart U.S. stores.
- Financial planning tools: Using the Even app, our associates can access tools to help them plan for bills and savings goals, eliminating the work of figuring out how much money is okay to spend. When unexpected expenses occur, our associates can access earned wages ahead of scheduled paychecks using an “Instapay” feature. The tools are available to all hourly and salaried Walmart, Sam’s Club and Walmart U.S. eCommerce associates. As of February 2019, 600,000 associates used the Even app.

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**Benefits**

- **Healthcare:** Walmart offers health benefits starting at around $26 per pay period for all full- and part-time associates who have worked an average of 30 hours per week over the past 12 months. This is about 40% less than the national average cost for single-person coverage.

- **401(k):** We offer 401(k) contributions and provide full- and part-time hourly U.S. associates a match of up to 6% after one year on the job. Associates are eligible to contribute to their 401(k) on their first day of work.

- **Paid time off (PTO):** Walmart’s U.S. PTO policy streamlines paid vacation, sick time, personal time and holiday time into one category. In February 2019, we introduced protected PTO, where not required by paid sick leave laws, allowing our associates to earn up to 48 hours of paid time that can be used anytime to cover scheduled shifts when they are unexpectedly not able to make it to work.

- **Expanded parental leave, covering U.S. salaried and full-time hourly associates:** Walmart provides associates with parental leave, as well as assistance with adoption expenses.
  - The parental benefit supports associates who become parents through birth, adoption or foster-care placement with up to six weeks of protected paid time away from work.
  - Birth moms can receive 16 weeks of total paid time away when maternity and parental are combined (10 weeks of maternity and six weeks of parental leave).
  - These changes create parity for maternity and parental leave benefits among salaried and full-time hourly associates.

**Scheduling**

- More than 50% of hourly associates in our Walmart U.S. stores are full-time.

- **Predictable scheduling:** We recently improved schedule predictability with a new system based on a method called core hours. Associates with core-hour schedules normally work the same weekly shifts for at least 13 weeks, enabling them to plan and prioritize important responsibilities outside of work.

- **Flexible scheduling:** In November 2018, we rolled out My Walmart Schedule, a system that allows associates to view schedules, swap shifts with other associates and pick up unfilled shifts.

**Evolving job design**

Meeting customer demand for new and better experiences requires changes to jobs, new associate skills, and redesign of store processes and systems.

Even as technology enables efficiencies in some areas, we’re creating new opportunities and training associates to lead in others. We have more than 35,000 people working in our U.S. stores in roles that didn’t exist two years ago. Some of those roles include personal shoppers for Online Grocery Pickup, self-checkout hosts and customer hosts. We’re also providing associates with tools that help them do their jobs such as AI-powered FAST Unloaders that make unloading trucks more efficient, which can enable associates who previously spent large portions of their shifts unloading trucks to learn new skills such as customer service and merchandising.
Mobility
According to a Pew Research Center survey conducted in association with the Markle Foundation, a majority of U.S. workers say that new skills and training are essential to career success. Walmart aims to help workers gain the skills they need to succeed within our company and beyond. For example, in Walmart U.S., we provide on-the-job training and access to affordable, relevant education programs including high school completion, college preparation and subsidized four-year college degrees (with a head start for those who receive college credit for Walmart experience). The rest of this section describes our training and education initiatives. These opportunities to grow knowledge and skills have enabled our associates to advance. We promoted more than 215,000 people to jobs of greater responsibility and higher pay in Walmart U.S. More than 75% of our Walmart U.S. store operations management team members started as hourly employees, and Walmart store managers earn an average of $175,000/year in the U.S.

Training programs
Walmart U.S. offers all associates the opportunity to gain critical skills for job advancement, including language training and professional development. We also offer two structured training programs for associates at Walmart U.S. stores: Pathways and The Walmart Academy.

Building foundational skills through Pathways
Our Pathways training program helps associates gain vital retail job skills, including customer service, merchandising, teamwork and communications. The program leverages self-paced, computer-based learning and mentoring from supervisors who provide feedback on associates’ job performance and highlight potential career opportunities. More than 850,000 associates have completed the Pathways program since its inception.

Building advanced skills through Walmart Academy
Walmart Academy offers hands-on, immersive learning, combining technology, classroom training and ongoing coaching on the sales floor. Using cutting-edge handheld devices and virtual reality, the program prepares associates for jobs as frontline hourly supervisors, department managers and assistant managers. Associates are paid for the time spent in training.

In the last three years, Walmart has opened nearly 200 Academies in the U.S., most within an hour’s drive of a Walmart store, and each Academy serves approximately 25 nearby stores. In FY2019 alone, we trained about 450,000 associates through Walmart Academy.

Education opportunities
Walmart offers education benefits for General Educational Development (GED) certification, high school completion and college credit through an innovative approach to higher education that focuses on meeting the distinct needs of the adult working learner.
In June 2018, Walmart teamed up with Guild Education to offer associates the opportunity to earn their high school diploma at no cost to them and a college degree for $1 per day. That means Walmart will subsidize the cost of higher education, beyond financial aid and an associate contribution equivalent to $1 per day. Available to all U.S. Walmart and Sam’s Club associates, the program offers access to both associate’s and bachelor’s degrees from three university partners, chosen based on their success with adult working learners. Associates can earn their associate’s degree in an area of their choice and a bachelor’s degree in business management and supply chain management. Associates have access to a counselor to help them navigate the application process and stick with the program. More than 1,500 students began classes in Fall 2018 across three university partners.

Employees have taken notice of these opportunities, according to associate engagement surveys that Walmart conducts at least annually. In our most recent FY2019 U.S. associate engagement results, 81% of associates agreed with the statement, “I have the training necessary to perform my job well.” This reflects our increased investment in employee training. We are seeing additional benefits from our investments, as shown by the fact that the majority of our associates also agreed with the statement, “I see a clear path for my career growth at Walmart.” Finally, the survey also confirms that nearly 75% of our associates would refer friends or family to Walmart for employment.

**Associate voice**

At Walmart, we aim to create a collaborative environment where associates are free to respectfully express their opinions and feel that their concerns are heard. We want associates to share their ideas for making our business better and relay, in confidence when appropriate, any workplace concerns. To that end, we gather and respond to associates’ feedback in a variety of ways, including, for example, in the U.S.:

- Personal, one-on-one interactions
- Team meetings
- Cascaded leadership communications
- Company intranet
- Facebook Workplace and other social media channels
- Traditional digital communications, such as email

Senior operations executives also conduct formal listening tours twice a year with associates across the U.S. Additional annual company gatherings include the Year Beginning Meeting, Holiday Meeting and Shareholders’ Associate Week. Our U.S. CEO also holds quarterly town hall meetings with associates and weekly operations feedback calls with store managers. During these sessions, any action items are assigned to field and home office associates, including officers, who are responsible for addressing each one.

These engagement efforts have led to meaningful improvements in company policies. Through various lines of communication, our U.S. associates asked Walmart to consider changes such as expanding our parental leave, bonuses for work attendance and a PTO-based time-off system so they would not incur penalties for sick leave. Walmart U.S. responded by implementing these practices.

Walmart’s Open Door process is another resource that allows any associate — from entry level to the C-suite — to share ideas and raise an issue in good faith at any time without fear of reprisal.

Additional information on our Open Door policy, including our stance against retaliation for concerns raised in good faith, as well as guidance for our associates on when and how to use these resources, can be found in our **Statement of Ethics**.

**Confidential resources**

In addition to the communication avenues described above, employees have access to a variety of confidential resources. To ask a question or report an ethics violation, employees can contact Walmart Global Ethics at [www.WalmartEthics.com](http://www.walmartethics.com), via email at ethics@walmart.com or 1-800-WM-ETHIC in the U.S., Puerto Rico and Canada. Our **Statement of Ethics** outlines resources available globally. Walmart strictly forbids retaliation against any associate who reports a concern in good faith. Reports can be made anonymously and will be treated as confidential.

Learn more about how we communicate with associates in the **Stakeholder engagement** section.
Freedom of association
One of our enduring core values since Sam Walton founded the company is Respect for the Individual.

Our associate freedom of association position
Consistent with applicable law and practice, Walmart respects the rights of associates to join, form or not to join an employee association or trade union of their choice without interference. Associates should exercise these rights in an informed manner, and with the benefit of thoughtful consideration and available information. In the exercise of these rights, we believe in the free exchange of ideas, opinions and information, provided there is no interference.

These rights are defined under applicable national law and practice in the countries in which Walmart operates and from which Walmart sources the products we sell.

Globally, Walmart has associates who are represented by some form of collective bargaining in more than half of the 27 markets where we operate. The U.S. model is employee choice.

Fostering inclusion
Our people and culture help make Walmart successful. We are committed to building a diverse workforce that represents the more than approximately 275 million customers who choose to shop with us in-store or online every week. A variety of perspectives enriches our culture, leads to innovative solutions for our business and enables us to better meet the needs of a diverse customer base. We aim to develop inclusive leaders and an inclusive culture, while also growing the pipeline of women and people of color at every level. Walmart is a signatory to Catalyst CEO Champions for Change, CEO Action for Diversity & Inclusion and Paradigm for Parity.

Walmart’s work to create a more inclusive company has been recognized by indices such as the Bloomberg Gender Equality Index, the Disability Equality Index and the Human Rights Campaign Corporate Equality Index, among others. A truly inclusive workplace culture is one where all associates feel empowered to bring their authentic selves to work every day.
**Women representation at Walmart***

- 43% U.S. management
- 57% U.S. hourly promotions
- 32% U.S. corporate officers
- 43% U.S. management promotions
- 25% Walmart Board

**People of color representation at Walmart***

- 33% U.S. management
- 45% U.S. hourly promotions
- 21% U.S. corporate officers
- 38% U.S. management promotions
- 16% Walmart Board

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**Our approach**

To foster diversity and inclusion within Walmart, we focus on recruitment, development and retention. We seek to develop equity in representation and an inclusive culture and to confirm our commitment to fair-pay practices.

An important component of fostering inclusion is raising awareness about unconscious bias. We have developed unconscious bias training for associates across the organization. All officers have Inclusive Leadership Expectations as part of their annual performance evaluation. A component of these expectations is abiding by our Statement of Ethics, failure of which may result in an annual cash incentive pay reduction.

For more information, please see our [Culture Diversity & Inclusion (CDI) Report](#).

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*Diversity & inclusion numbers are calculated based upon total U.S. workforce, including associates in the U.S. regardless of whether assigned to a subsidiary that owns or operates an ecommerce business, platform and/or marketplace.*
Measuring progress
Using engagement survey feedback, metrics on representation and inclusion indices, we’re measuring our progress and informing future priorities. Introduced in 2016, our CDI scorecard has proven to be a valuable tool, providing a biannual, actionable report that is reviewed by senior management.

Fair pay
Fairness in pay is an important issue for our company. We are committed to creating a performance culture where associates are rewarded based on meaningful factors such as qualifications, experience, performance and the type of work they do.

Our compensation plans and practices are designed to comply with applicable laws that require companies to pay their employees fairly and equitably. In the U.S., for example, relevant laws include Title VII of the Civil Rights Act and the Equal Pay Act, both of which require that men and women be given equal pay for equal work.

Salary and wage ranges for our associates are based on objective factors, regardless of gender or race. We continually review our processes to make sure we are living up to our commitment to fair-pay practices.

Read more about Diversity & Inclusion programs and data.

Retail opportunity across the sector
Our work to promote economic opportunity extends beyond our company. In 2015, Walmart and the Walmart Foundation launched the Retail Opportunity Initiative, a five-year philanthropic effort to accelerate retail and related sector employee advancement.

Through the end of FY2019, Walmart and the Walmart Foundation had invested more than $100 million in organizations working to accelerate retail and related sector employee advancement. The initiative includes:

- Generating and sharing insights into retail as a sector of opportunity
- Showing how the retail sector can offer upward mobility to frontline workers
- Building innovative approaches to training workers and providing opportunities for advancement
- Engaging employers, training providers and others to share best practices and improve incumbent worker training and advancement in local workforce ecosystems

Learn more about our work under the Retail Opportunity Initiative at Walmart.org.
Walmart’s supply chain reaches more than 100,000 suppliers globally. In 1992, we launched our Responsible Sourcing program to establish our expectation that suppliers and their facilities operate responsibly, in a way that protects worker dignity. We set expectations through our Standards for Suppliers and use a risk-based approach to monitoring our supply chain, focusing audits on those geographies with greater potential risks.

We also collaborate with peers and other industry stakeholders to address human rights issues in complex supply chains and to improve the capacity of the global retail sourcing system. Recognizing the need for whole-system transformation, Walmart has committed to use our ability to bring together stakeholders including industries, civil society, governments and international organizations to address the major potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025.

**QUICK FACTS**

- Walmart uses a risk-based approach to supply chain monitoring and focuses audits on geographies with greater potential risks.
- Suppliers have disclosed more than 25,800 facilities in “active” status to Walmart in FY2019.
Sourcing responsibly
Given our size and global footprint, Walmart has a unique opportunity to use the power of our purchase orders to improve supply chain conditions. We set high expectations for our suppliers. Members of our Responsible Sourcing team around the world work to assess risk, monitor supply chain conditions through audit assessments and investigations, provide training and tools for suppliers, and collaborate with stakeholders to make progress on key industry-wide issues. The team also acts as a resource for fellow Walmart associates, providing training so that they can better understand and navigate potential human rights risks associated with various geographies and industries. Having our Responsible Sourcing associates embedded in markets around the world allows us to better understand regional challenges in our supply chains and leverage our local presence to build strong connections with local suppliers and markets. As of January 2019, we have more than 150 Responsible Sourcing associates.

Responsible Sourcing associates are embedded in markets and hubs around the world to better support our global supply chain
As of January 31, 2019, our associates were located in the following countries:

- Argentina
- Bangladesh
- Cambodia
- Canada
- Chile
- China
- Costa Rica
- Guatemala
- India
- Indonesia
- Japan
- Mexico
- Pakistan
- Thailand
- United Kingdom
- United States
- Vietnam
- South Africa
Standards for suppliers
We communicate our fundamental expectations to suppliers on social conditions, worker safety and integrity in the workplace through our Standards for Suppliers. Suppliers must agree to the Standards as part of their Supplier Agreement with Walmart. The Standards apply to anyone that supplies product to Walmart for resale, as well as any agents they use. Among other obligations, the Standards require our suppliers, and those who supply to them, to:

- Comply with the law
- Be transparent in their production for Walmart
- Not use involuntary or underage labor
- Maintain a fair process for making employment decisions
- Comply with all applicable laws and agreements regarding compensation and working hours
- Respect the principles of freedom of association and the right to collective bargaining
- Provide a safe work environment

We provide tools and resources for suppliers through the Responsible Sourcing Academy, which includes training, best practices, and educational materials developed by third parties and Walmart. More than 4,300 supplier representatives have registered in the Responsible Sourcing Academy.

Monitoring
Through our risk-based monitoring program, we use third-party audits to evaluate supply chain practices against our Standards. After assessing the standards, protocols, governance and integrity of each program, the Responsible Sourcing team approved nine third-party audit programs. In addition, we work with the audit programs to make enhancements and share best practices for the benefit of the broader supply chain. To determine where regular audits will be required, we assign countries a classification of their potential social compliance risk level based on the World Bank governance indicators. Facilities in countries that fall into the highest level of risk — which are identified as Category 2 and Category 3 countries — are subject to regular audits. Facilities in Category 1 countries, such as the U.S., are subject to audits on a sample basis.
Risk-based social compliance audit assessments

We take a risk-based approach to auditing, which allocates more resources to facilities located in countries with greater potential risks; facilities in higher-risk countries are required to submit regular audits, while facilities in lower-risk countries are audited on a sample basis. Facilities submit an approved third-party audit to Walmart, which we assess against our standards. In FY2019, we assessed more than 14,700 audits.

- Facilities for which we found general compliance.
- Facilities that audits show to be generally compliant with our Standards but have failed to meet at least one important requirement. In these cases, we ask the facility to remediate noncompliances found in the audit report.
- Facilities where we have found more significant violations. We will continue to source from facilities with orange ratings as they work to remediate the violations.
- Facilities where serious infractions were found that may result in temporarily or permanently terminating the facility as a supplier to Walmart.
- Facilities participating in our small supplier program and therefore did not receive a color rating.

Walmart reviews each facility audit and assigns a color rating based on the third-party program's ability to produce product for Walmart evaluation and Walmart's own assessment of that evaluation. Green ratings represent facilities for which we found general compliance. Yellow ratings identify facilities that audits show to be generally compliant with our Standards but have failed to meet at least one important requirement. In these cases, we ask the facility to remediate noncompliances found in the audit report. Orange ratings identify facilities whose audits indicate more serious violations of the Standards, but from which Walmart will continue to allow sourcing while the violations are remediated. Red ratings identify facilities for which Responsible Sourcing has discovered violations of a nature that may make it appropriate to temporarily or permanently terminate the facility’s ability to produce product for Walmart.

Walmart reviews and assesses each audit report. Of the more than 14,700 third-party audit reports Walmart reviewed and assessed in FY2019, 23.7% received green, 63.1% received yellow, 10.8% received orange and 0.3% received red. An additional 2.1% of audits were for facilities participating in our small supplier program and, therefore, did not receive a color rating.

In addition, Walmart operates several grievance mechanisms to solicit the concerns of workers in the supply chain. These include:
- **Global helpline:** Walmart provides global and local phone numbers that anyone can use to ask questions and report concerns related to Walmart’s business, 24 hours a day, 7 days a week.

The helpline is equipped to handle most local languages spoken in each of the retail markets where we operate.

- **Global email address:** This email address is available for reporting concerns, asking questions, or simply seeking guidance for situations that may be unclear. All contacts are received by Walmart's Global Ethics and Compliance team in Bentonville, Arkansas.
- **WalmartEthics.com:** This website is available in 13 languages and accessible globally. It provides a platform where stakeholders can ask questions, read our Statement of Ethics, submit ethical concerns and follow up on previously reported concerns.
Cases resulting from these grievance mechanisms, as well as from audits and internal referrals, can be referred to our Responsible Sourcing Investigations or other compliance teams within Walmart. In FY2019, our Responsible Sourcing team opened more than 600 cases involving allegations of supply chain misconduct. Each case is reviewed and may include worker interviews, on-site visits and follow up with audit programs. Responsible Sourcing may also engage with the supplier directly, which typically includes a discussion regarding the allegations; a clarification of expectations; and the review, approval and follow up with the supplier on a corrective action plan. In FY2019, Walmart used this issue response process for more than 65 cases. Reports of misconduct ranged from issues such as lack of required posters to more serious violations that warranted in-depth scrutiny.

We believe that staying engaged with suppliers through dialogue and corrective plans can have a more positive impact than simply abandoning the supplier relationship — and in FY2019, more than 480 facilities remediated from orange to either yellow or green assessments. However, substantiated findings may result in consequences for suppliers, facilities or both — up to and including termination of business with Walmart and its subsidiaries. Since 2012, we have stopped doing business with more than 30 suppliers in response to serious violations of our Standards.

Learn more about Supplier Standards at our Responsible Sourcing website.

Strengthening capacity of global audit systems

Many of the challenges we seek to address in our global supply chains are not unique to Walmart, and we are collaborating with our peers and key stakeholders to strengthen and standardize expectations for suppliers to drive transformation across supply chains. For instance, to help improve capacity of supply chain audits, Walmart and other stakeholders — including third-party audit firms and other companies who rely on social compliance audits, audit programs and non-governmental organizations (NGO) — established the Association of Professional Social Compliance Auditors (APSCA). The APSCA aims to increase the credibility and professionalism of auditors and audit programs across the industry. In 2018, the APSCA developed a Code of Professional Conduct and a Competency Framework for Auditors, and the group began piloting its certification process. As of January 31, 2019, more than 3,200 auditors have registered with the APSCA.

Collaborative efforts to address systemic issues

For certain risks, supply chain monitoring and supplier engagement can only go so far. Long-term social sustainability in complex, global supply chains requires whole-system transformation and collective action of suppliers, NGOs, governments, retailers and others. Walmart has committed to work with others to address potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025; so far, we have focused on five supply chain initiatives:

- Apparel in Bangladesh
- Produce in the U.S. and Mexico
- Shrimp in Thailand
- Tuna processed in Thailand
- Electronics sourced for the U.S. retail market supply chain

To help prioritize key geographies and supply chains, we analyzed internal data, audit findings and other external resources such as the World Bank global indices and government and media reports. We also considered where Walmart could have the biggest impact and identified collaborators that could help effect change.

In such whole-system, collaborative efforts, Walmart engages through business and philanthropic initiatives that include:

- Clarifying expectations with suppliers
- Investing in research to understand prevalence of human rights violations and track progress toward improvement
- Engaging with governments to advocate for laws, regulations and enforcement
- Collaborating with key stakeholders and thought leaders in task forces and consortia
- Building capacity in critical parts of the system (e.g., responsible recruitment, worker communication tools and monitoring technology)

To gain deeper insight into these chains and the day-to-day experiences of workers, our associates also conduct on-site visits; cross-functional teams from Walmart undertook several such visits in 2018. Such on-site visits not only improve our ability to collaborate on whole-system change initiatives, they also help us improve our merchandising and responsible sourcing practices.

Two human rights issues that we are particularly focused on through our responsible sourcing work and collaborative initiatives are forced labor and worker safety.
Forced labor
Walmart has prioritized working with others to combat forced labor in the global supply chain. Example efforts include:

- **Responsible recruitment:** As a member of the Leadership Group for Responsible Recruitment, Walmart works to create demand for ethically recruited workers in Thailand and Malaysia and advocate for better government regulation of recruitment agencies.

- **Seafood Task Force:** Since 2015 we have participated in this international, multi-stakeholder initiative to address forced labor and illegal fishing in the Thai seafood supply chain. The Seafood Task Force has developed supply chain maps, established a system to track products across the supply chain, worked with government and industry stakeholders to improve regulation and codes of conduct, and championed fishery improvement projects. In FY2019, the Task Force Board approved the Vessel Auditable Standards, which extend auditing practices and performance expectations to fishing boats, beyond ports and land-based monitoring. Walmart also participates in the Tuna subgroup.

- **Immersive field visits:** These visits help Walmart teams better understand complex forced labor issues in supply chains such as tuna. For example, a team comprised of Global Sourcing, Responsible Sourcing, Sustainability and Corporate Affairs visited Thailand and the Marshall Islands to explore the canned tuna supply chain. The team visited tuna boats, met workers, interviewed captains, saw processing plants and canning facilities, and observed unloading and loading processes.

The Walmart Foundation also aims to decrease the risk of forced labor through philanthropic investments focused on: (1) strengthening demand for responsible labor and practices; (2) using data and technology to increase transparency; (3) enhancing worker and community voice; and (4) supporting efforts to improve enforcement of existing regulations. For example, in FY2019, the Walmart Foundation provided support to FishWise to develop the Roadmap for Improving Seafood Ethics (RISE), an online platform that details steps companies can take to improve responsible practices in seafood supply chains. By providing tailored recommendations to producers, processors, brands and retailers on how to build, assess and improve social practices — and track progress toward more ethical performance — RISE can help drive advancements in worker dignity in fishing supply chains around the world.

As another example, in 2016, the Walmart Foundation made a grant to International Justice Mission (IJM), building upon funding from other institutions, to help open the IJM Bangkok office to work alongside the Royal Thai Government as it combats human trafficking networks in the Thai fishing industry. Learn more at Walmart.org.

Walmart also supports the nonprofit Truckers Against Trafficking, which trains and encourages transportation professionals to recognize and report suspected human trafficking incidents. In 2015, Walmart conducted a training initiative with its private fleet drivers in the identification and prevention of human trafficking. In FY2020, Walmart plans to incorporate that same training into its new-driver onboarding process.

Worker safety
We expect our suppliers to provide a safe working environment. To address systemic issues affecting worker conditions more broadly, we collaborate with other companies, NGOs and experts. For example, in 2013, Walmart was a founding member of the Alliance for Bangladesh Worker Safety, which provided extensive fire safety training; gave access to a 24-hour, confidential helpline to report safety and other job-related concerns; and supported remediation of factory safety issues. According to the Alliance’s fifth annual report, 90% of high-priority remediation items were complete across all factories affiliated with the Alliance, and nearly 1.6 million workers have been trained in fire safety. More than 1.5 million workers now have access to the 24-hour confidential helpline. While the Alliance’s commitment ended in 2018, Walmart remains dedicated to worker safety in Bangladesh.
Inclusive sourcing

QUICK FACTS

Walmart and Sam’s Clubs sourced more than $11 billion from diverse suppliers in the U.S.

According to data from our suppliers, approximately two-thirds of what we spend to buy products for Walmart U.S. goes toward items that are made, sourced or grown in the U.S.

We use the power of our purchase order as a development tool in two ways: to promote diverse suppliers and to support small producers in emerging markets.

Diverse sourcing

Our supplier inclusion statement, signed by Walmart CEO Doug McMillon, highlights our belief that a diverse supply chain enables us to deliver better products and a broader selection to the communities we serve.

Walmart does business with more than 2,800 diverse suppliers who represent products in Walmart stores and on Walmart.com. In the U.S., Walmart and Sam’s Club sourced more than $11 billion from diverse suppliers in FY2019. Of this, $10.6 billion was for merchandising and $1.2 billion was for other goods and professional services.

We are also a member of the Billion Dollar Roundtable, which celebrates corporations that achieve spending of at least $1 billion with diverse businesses and adhere to the classification and reporting standards established by this organization.

Using the National Minority Supplier Development Council’s and Women’s Business Enterprise National Council’s standard diverse business ownership definitions as benchmarks, we track diversity in our supply chain under the following diverse classifications: Women, African Americans, Asian Americans, Hispanic Americans, Native Americans, Native Alaskans, members of the LGBT community, veterans, disabled veterans and other people with disabilities.

For more information on our supplier diversity work, please see our Supplier Inclusion website.
Market access for smallholders in emerging markets

Walmart works to help develop small suppliers in countries around the globe, enabling them to establish their businesses as part of the regional retail supply chain. Beyond Walmart’s supply chain, the Walmart Foundation invests in programs to help enhance livelihoods for produce growers in Mexico, small-plot farmers in India and small enterprises in South Africa. For example, in India where smallholder farmers represent the backbone of the country’s economy, the Walmart Foundation, working beyond Walmart’s supply chain, made a commitment in 2018 to invest $25 million over the next five years to improve farmer livelihoods. At the same time, Walmart India has committed to source 25% of produce sold in its Cash & Carry stores from India’s smallholder farmers.

When the Walmart Foundation seeks out market access programs to support, we focus our funding on programs that help address women’s inclusion and empowerment. We ask about the design of projects and disaggregating data to understand any disproportionate impacts on program participants.

Investing in American jobs

Our U.S. customers and communities are passionate about supporting American manufacturing. In 2013, we announced our goal of purchasing an additional $250 billion in products that will support American jobs through 2023. According to Boston Consulting Group, this initiative could create 1 million new U.S. jobs, including 250,000 manufacturing jobs directly, and 750,000 support and service sector jobs indirectly. We have achieved 94% of what we had initially estimated for this point and we are making steady progress across categories.

To raise awareness of our initiative and encourage suppliers to identify new product opportunities, Walmart hosted the fifth annual Open Call for new U.S.-made products in June 2018. Entrepreneurs from 46 states participated in more than 500 meetings where they had an opportunity to pitch their products for Walmart stores.

We have also:

- Published the Policy Roadmap to Renew U.S. Manufacturing, outlining what government, manufacturers and retailers can do to create manufacturing areas of opportunity.
- Released a report on the future of work in the U.S. on a county-by-county basis.
- Established the Jobs in U.S. Manufacturing Portal for suppliers to access our knowledge base on the U.S. manufacturing industry.

According to data from our suppliers, approximately two-thirds of what we spend to buy products for Walmart U.S. goes toward items that are made, sourced or grown in the U.S.

Nearly $30 MILLION* spent with women-owned businesses in the past 7 years

*Totals for merchandising and services combined

According to data from our suppliers, approximately two-thirds of what we spend to buy products for Walmart U.S. goes toward items that are made, sourced or grown in the U.S.
Providing safer, healthier food & other products

QUICK FACTS

- Walmart was one of the founders of the Global Food Safety Initiative
- More than 4,990 food facilities that provide products to Walmart stores and Sam’s Clubs have been certified to one of the Global Food Safety Initiative’s standards
- In FY2019, we conducted more than 140,000 independent food safety audits at our stores and clubs globally
- In September 2018, Walmart U.S. required our existing fresh leafy green (e.g., romaine lettuce and spinach) suppliers to use blockchain technology for end-to-end traceability to help execute more targeted recalls and withdrawals
- Walmart was the first U.S. retailer to announce a time-bound chemical footprint reduction goal
- Through our Wellness events, which take place four times per year, Walmart has provided ~3.3 million free health screenings to people across the U.S.

Policies & resources

- Food Safety Policy
- Product Safety & Compliance Policy
- Sustainable Chemistry Commitment
**Food**

**Food safety**
As the world’s largest grocer, we are committed to playing a leading role in upholding food safety laws and regulations applicable to our global businesses, and to providing access to safe, high-quality foods. We helped found the [Global Food Safety Initiative](#), and we are guided by our [Food Safety Policy](#). Our Global Food Safety Compliance team includes food safety professionals who are responsible for overseeing a comprehensive Food Safety program in every market where we operate.

To reduce food-safety-related risk in our supply chain, we require all private-brand suppliers and select categories of national-brand suppliers to achieve certification to one of the Global Food Safety Initiative’s internationally recognized food safety standards, which often exceed applicable regulatory requirements.

Since the initial rollout of this requirement, more than 4,990 food facilities that provide products to Walmart stores and Sam’s Clubs have been certified. Studies published in the peer-reviewed *Journal of Food Protection* have shown that Global Food Safety Initiative certification tends to help suppliers in strengthening their ability to produce safe foods and comply with regulations.

We also strive to improve transparency and the traceability of the products we carry through technology such as blockchain. For example, Walmart China, working with IBM and Jinluo Meat Co., completed a proof-of-concept pilot that dramatically reduced the time needed to trace select pork products back to the farm using blockchain. And, in the wake of E. coli outbreaks in 2018, Walmart U.S. asked our existing suppliers of leafy greens (e.g., romaine lettuce and spinach) to use blockchain technology to trace their products back to the farms where they originated.

Blockchain technology has the potential to shine a light on all actors in the food system. This enhanced transparency can result in greater accountability, improved safety and more sustainable practices.

Through regular independent, third-party food safety audits of our stores and clubs that prepare fresh food, we assess adherence to Walmart food safety standards, processes, conditions and expected behaviors. These risk-based audits help us receive independent assurances that our stores are operating in a safe and legal manner.

In FY2019, we conducted more than 140,000 independent food safety audits at our stores and clubs globally.

In October 2016, Walmart created the Beijing-based Walmart Food Safety Collaboration Center (WFSCC) to bring together local and international research into the root causes and prevention of foodborne illness. The WFSCC, a collaborative effort among industry, government and academia, seeks to identify solutions for improving food safety in China.

For more information on our food-safety-related initiatives and work in China, please visit [www.walmartfoodsafetychina.com](http://www.walmartfoodsafetychina.com).

[For more information on our Food Safety program, including our food- and sourcing-related policies, please visit our Food Safety and Policies websites.](#)
Healthier food for all
We aim to make healthier food more affordable and more easily accessible. We continue to work toward improving the nutritional quality of our U.S. private-brand products.
To help customers more easily identify more nutritious food options, we worked with regulators and experts to develop the Great for You icon. Products identified with the Great for You icon have met nutrition criteria informed by the latest science and guidance from the 2015-2020 Dietary Guidelines for Americans, U.S. Food and Drug Administration, U.S. Department of Agriculture and Institute of Medicine. The Great for You initiative has been recognized by the Robert Wood Johnson Foundation as a leading nutrition program. For more information, please visit the Great for You section of our website.

Philanthropy
Walmart and the Walmart Foundation have made substantial investments designed to improve access to and availability of healthier food and increase people’s confidence to select, prepare and serve healthier food. Through Walmart’s food donations and additional philanthropic investments from Walmart and the Walmart Foundation, we met the goal we set in FY2014 to provide 4 billion meals to people in need by 2020, largely through the donation of unsold food. As of November 2018, we had also put funding in place to reach 4 million people with nutrition education. In FY2019, Walmart stores, clubs and distribution centers in the U.S. donated more than 640 million pounds of food, over 55% of which was fruits, vegetables and meat. Globally, Walmart donated a total of 720 million pounds of food in FY2019.

For more information on our hunger relief and nutrition education efforts, please visit Walmart.org.

Product safety
We are committed to providing our customers and members with access to safe and affordable merchandise. We require our suppliers to meet all applicable laws, regulations and company-specific requirements for all items offered for sale.
These laws and regulations help ensure that products sold to consumers meet design, manufacturing and safety standards to reduce the risk of harm to customers. Our Product Safety Compliance team has implemented product-safety-related processes and procedures, which include:
• Monitoring laws, regulations, and standards
• Creating and communicating product requirements
• Assessing supplier and product performance
• Item testing, verification, and monitoring
• Managing incident reports, product removals, and regulatory reporting
Our U.S. Product Quality and Compliance Manual contains full details on this process. More information on how we manage product safety, including our Product Safety Policy, can be found on our Product Safety website.

**Sustainable chemistry**

Launched in 2013, our Sustainable Chemistry Initiative sets ambitious goals for product formulation and transparency, covering approximately 125,000 personal care, beauty, baby, pet and household cleaning products sold by Walmart and Sam’s Club stores in the U.S.

Our current Sustainable Chemistry Commitment outlines how we are working to incorporate the 12 Principles of Green Chemistry. The commitment asks suppliers to accelerate product reformulation, improve ingredient transparency and certify products using credible accreditations such as the U.S. Environmental Protection Agency’s Safer Choice program.

Last year, we became the first U.S. retailer to announce a time-bound chemical footprint reduction goal and set a commitment to report annually to the Chemical Footprint Project. Our consumables chemical footprint is based on Walmart’s Priority Chemical list and includes chemicals such as formaldehyde and phthalates. By 2022, we aim to reduce the chemical footprint in personal care, beauty, baby, pet and household cleaning categories in U.S. stores by 10%. Our baseline for this goal is our calendar year 2017 footprint of approximately 190 million pounds for Walmart U.S. and approximately 30 million pounds for Sam’s Club. We made this baseline public in 2018.

In February 2019, we expanded our sustainable chemistry efforts and encouraged suppliers to lead on sustainable chemistry in apparel, footwear and soft home textile products and leverage third-party certifications that assess and recognize leadership in line with the principles of sustainable chemistry. In 2018, we also announced that we will phase out paint removal products with the chemicals methylene chloride and N-Methylpyrrolidone (NMP) from our stores in the U.S., Canada, Mexico, Central America and www.walmart.com.

**Health & wellness**

In the U.S., our presence in thousands of communities gives us a unique opportunity to provide access to affordable health care to millions of people. According to a recent survey of U.S. customers conducted by our insights team, cost is the top barrier to healthcare for 43% of Walmart shoppers, followed by convenience (27%) and access (22%). Additionally, 40% of those surveyed have delayed medical care.

Since 2017, we have introduced 4,500 in-store health kiosks that have been used by more than 24 million customers — an average of 16 times per day. Through our Wellness events, which take place four...
times per year, Walmart has provided approximately 3.3 million free health screenings to people across the country. These screenings have helped customers discover underlying issues such as high blood pressure and diabetes that they now can manage.

Our core health and wellness business for Walmart and Sam’s Club currently consists of more than 5,000 retail pharmacies, 3,000 vision centers and 400 hearing centers. Through our Healthcare Begins Here platform we offer customers health insurance education and enrollment services in stores, online and via call centers during annual enrollment periods for Medicare and Affordable Care Act plans.

For more information, including our Health and Wellness Policy, please visit our Health and Wellness compliance website and Health and Wellness blog.

**Opioids**

Opioid abuse and dependence are a serious public health issue that touches our communities, patients and associates. Walmart is committed to taking a leadership role on this issue and has developed a comprehensive opioid stewardship initiative with policies, programs and tools aimed at helping prevent opioid abuse and dependence.

Walmart and Sam’s Club limit the initial opioid prescription for an acute condition (one expected to heal fairly quickly) to 7 days — informed by the Centers for Disease Control and Prevention’s guidelines. This limit helps reduce the number of pills dispensed, which both reduces the likelihood that the patient will become dependent upon opioids and reduces the volume of opioids that could be diverted for inappropriate uses by someone other than the patient.

Walmart and Sam’s Club pharmacists participate in opioid-related training programs and use their knowledge to educate patients on the risks of opioid use and to recommend the overdose medication, naloxone, for patients who may be at risk for overdose. Certain patients can be at risk of overdose even when using an opioid for a legitimate medical purpose. We also invest in drug education programs for youth in our communities. We offer a free, at-home opioid disposal product to patients.

These are just a few of the ways Walmart is working to address opioid abuse and misuse, and we are committed to adding new initiatives and partnerships to continue to serve as a corporate leader and partner to our communities. For more information on how Walmart is working to combat the opioid crisis, please see our Opioid Stewardship website.
Walmart’s associates and customers live and work in many communities around the world. We aim to strengthen these communities through our stores, which provide access to affordable food and other products for daily needs; our jobs and advancement opportunities; and by supporting local causes.

Community engagement

With more than 11,300 stores around the world, Walmart associates and customers belong to many communities. Walmart associates engage with customers and local organizations in several ways to understand and support local needs.

In the U.S., for example, before we open a new store, club or distribution center, Walmart meets with stakeholders such as community groups, chambers of commerce, elected officials and local chapters of national organizations to understand the needs of the neighborhood. In some instances, we convene community discussions on opportunities and challenges.

We encourage our store leaders to engage in community life. In addition to charitable giving, our store leaders may host events for community leaders’ networks, serve on the boards of local nonprofits, speak at local events, and belong to community organizations such as chambers.
Philanthropy

In the U.S., we empower each Walmart store, Sam’s Club and distribution center to strengthen and support its local community through local donations, fundraising and cause-marketing campaigns. In FY2019, our stores and clubs provided more than $42 million in local grants, which are designed to address the unique needs of the communities where we operate.

Our associates around the world contribute their time, expertise and money to a range of causes they are passionate about, including Walmart-supported initiatives such as hunger relief and disaster relief. In the U.S. alone, more than 47,000 associates volunteered over 776,500 hours, generating more than $7.6 million in Walmart donations through our Volunteerism Always Pays program.

Learn more about how Walmart gives back in communities around the world at Walmart.org.
Governance
The Walmart Board is comprised of individuals whom we believe collectively provide an appropriate balance of distinguished leadership, diverse perspectives, strategic skill sets and professional experience relevant to our business and strategic objectives. Our Board has five primary standing committees, including the Nominating and Governance Committee, which reviews and advises management on Walmart’s ESG initiatives. In FY2019, the Nominating and Governance Committee met five times.

QUICK FACTS

- The Nominating and Governance Committee of the Walmart Board of Directors, which reviews our ESG initiatives, met five times during FY2019.
- As of February 7, 2019, our board included nine men and three women, and two of our directors are of racially or ethnically diverse backgrounds.
- Walmart’s Chief Sustainability Officer provides regular updates to the Nominating and Governance Committee on ESG issues and initiatives.
- Walmart is a signatory to Catalyst CEO Champions for Change.

The Walmart Board is comprised of individuals whom we believe collectively provide an appropriate balance of distinguished leadership, diverse perspectives, strategic skill sets and professional experience relevant to our business and strategic objectives. Our Board has five primary standing committees, including the Nominating and Governance Committee, which reviews and advises management on Walmart’s ESG initiatives. In FY2019, the Nominating and Governance Committee met five times.
Our Chief Sustainability Officer (CSO) reports to our Executive Vice President, Corporate Affairs and provides management direction and oversight of Walmart’s publicly stated global ESG initiatives and goals. Both executives provide regular reports to the Nominating and Governance Committee on our ESG initiatives. In addition, the CSO presides over a cross-functional ESG Steering Committee, which is a management committee that meets biannually and is made up of leaders from various departments. Experts from these represented departments are also part of an ESG Working Group that meets quarterly to develop management strategies, identify potential impacts to the business and keep the ESG Steering Committee informed of relevant projects and initiatives.

In addition, an ESG team, which reports directly to the CSO, as well as others at Walmart — including our corporate leaders — connect with stakeholders through formal reviews of ESG priorities and on an ongoing basis to stay abreast of ESG issues, challenges and opportunities. These discussions enable us to understand stakeholders’ priority issues, which are detailed in the Stakeholders and their ESG priorities section of this report.
We engage with our stakeholders as outlined below:

**Associates**

Our associates are the core of our business, and we engage with them in a variety of ways including: personal one-on-one interaction, team meetings, cascaded leadership communications, company intranet, Facebook Workplace and other social media, as well as traditional digital communications such as email. We use the feedback we receive from our associates to understand the issues that are paramount to them, and we try to respond as effectively as possible.

Transparency and communication are key to driving Walmart’s internal culture of trust, and we are committed to continual improvement in these efforts. For more on how we engage with our associates and integrate their feedback into the business, see our Associate voice section.

**Customers**

Understanding the needs of our customers is a top priority. We use a variety of channels to solicit feedback and communicate with our customers. These include:

- Focused research through surveys and in-person discussions
- Social media interaction through managed Facebook and Twitter pages
- In-person communication in our stores
- Outreach through email and phone, as well as communication through our customer call centers

We have listened to our customers’ questions regarding topics such as product country of origin, nutrition profile of foods, ingredients and responsible sourcing, and are working to respond to their preferences.

**Suppliers and others in the supply chain**

An important lever in achieving the system-wide change we aspire to is the power of our purchase orders and our relationships with our suppliers. Therefore, we use multiple channels to communicate with them. We engage with our suppliers to share our standards and expectations; provide trainings; receive their feedback and input on a variety of topics; and help improve the sustainability of supply chains. For example:

- Walmart’s Responsible Sourcing Academy houses information about our standards for worker safety in factories, training, best practices and educational materials developed by third parties and by Walmart.
- We provide additional outreach and support for minority- and women-owned businesses to increase the diversity of our supplier pipeline.
• We host a variety of live and online events, communicate at trade events and keep in close communication with suppliers via timely updates.
• We encourage suppliers to report through the Sustainability Index, a science-based, third-party tool developed by The Sustainability Consortium in collaboration with universities, non-governmental organizations (NGOs) and suppliers.

For more information on how we interact with our suppliers, please see the Responsible supply chains, Project Gigaton and the Sustainable chemistry sections of this report.

**Communities**

At Walmart, we work hard to support the communities where we operate and where our associates and customers live. See the Communities section of this report for more information.

**Shareholders**

We engage with shareholders through:

- **Formal communications:** Quarterly earnings materials, Securities and Exchange Commission (SEC) filings, investor conferences, investment community meetings, annual live earnings call with the investment community, our annual report to shareholders, our annual proxy statement and other information made available via our corporate website
- **Shareholder outreach programs:** Shareholder outreach is conducted during the year to discuss corporate governance, executive compensation and other matters related to Walmart’s enterprise strategy
- **Walmart resources:** Our website and hotline

During these engagements, we provide updates on our corporate strategy, recent operational and financial results, competitive landscape, Board composition and governance, executive compensation and ESG initiatives. We hear diverse perspectives from our investors on Board governance, and we provide this shareholder feedback to our Nominating and Governance Committee.

**Governments**

The guiding principle for Walmart’s government engagement is to promote public policy that fulfills the interests of our customers and the public as well as our business. We believe that sound public policy is the result of good-faith government and stakeholder actions that promote the intersection of those interests. Whether the issue involves federal or state taxation, trade, technology or policies related to the workforce of the future, we advocate with a view toward the long-term interests of our associates, our customers and the communities in which we work and live. We are committed to providing substantive and technical input and advice to legislative bodies and executive agencies across all issues where we have expertise and make it a practice to do so in ways that build relationships of trust.

**NGOs, advisory councils and grantees**

Many problems facing the world today, from deforestation to human trafficking, are beyond the scope of any single organization to resolve. Because we aim to create lasting impact and system-wide change, Walmart and the Walmart Foundation collaborate with leading third parties to help solve complex problems.

We have direct dialogue with many institutions — both our critics and advocates — to understand critical ESG issues and the role Walmart can play to help address them. We have created and engaged with several advisory councils to offer critical input on Walmart’s business and ESG practices and initiatives. These include, among others, the Living Green Working Group, comprised of representatives of environmental NGOs, and the Workforce Advisory Council, which is made up of experts in workforce development. Working with third-party advisory councils enables us to benefit from an array of expertise and opinions and helps us shape our business initiatives.

We also seek to promote ecosystems and networks that allow grantees to multiply their impact by learning from and supporting one another. Learn more about our philanthropy and the Walmart Foundation at Walmart.org.

**ESG research analysts**

We have ongoing conversations with ESG analysts and researchers. We interact with ESG analysts holding a variety of viewpoints on our company, and these diverse perspectives inform our initiatives and help make us more effective.

In these conversations, we discuss Walmart’s strategy, governance practices, compliance programs and other ESG-related matters.
Board diversity

We believe that a Board comprised of directors with diverse backgrounds, experiences and perspectives improves dialogue and decision-making and contributes to overall board effectiveness. Among other factors, our Nominating and Governance Committee includes gender and racial diversity among the factors reviewed and considered in the director nomination process. We also evaluate our overall approach to Board diversity annually during the Board and Committee evaluation process.

As of February 7, 2019, our Board included nine men and three women, and two of our directors are of racially or ethnically diverse backgrounds. Walmart is also a signatory to Catalyst CEO Champions for Change.

For more information on our Board and other corporate governance topics, please visit our corporate website.
We operate in 27 countries, source products from more than 100 countries and employ approximately 2.2 million associates from diverse backgrounds. We expect our team members, suppliers and contractors to consistently champion a common culture and set of values. These include treating all people with respect, acting with personal integrity and complying with the laws of the communities in which we operate. We also value our culture of open, honest and direct dialogue among all associates.

The Audit Committee of our Board of Directors has risk oversight responsibility for ethics and compliance matters. Our Global Chief Ethics & Compliance Officer leads our Ethics & Compliance team and reports to the company’s Executive Vice President, Global Governance, Chief Legal Officer and Corporate Secretary. Our Ethics & Compliance programs have six basic building blocks:

1. Leadership
2. Risk assessment
3. Standards and controls
4. Awareness
5. Training
6. Monitoring and response
Our program also addresses 14 key areas of relevance to the changing retail sector:

- Anti-corruption
- Antitrust
- Consumer protection
- Environmental
- Anti-money laundering
- Food safety
- Health and safety
- Health and wellness
- Labor and employment
- Licenses and permits
- Privacy
- Product safety
- Responsible sourcing
- Trade

We provide a variety of resources for our stakeholders to raise questions or concerns, including:

- **Global hotline**: It is available to stakeholders around the world 24 hours a day, 7 days a week, and is equipped to handle most languages spoken in the retail markets where we operate. Reports can be made anonymously.

- **Global email address**: This is available for reporting concerns, asking questions or simply seeking guidance for situations which may be unclear. All contacts are received by Walmart’s Global Ethics and Compliance team in Bentonville, Arkansas.

- **WalmartEthics.com**: This website is available in 13 languages and is accessible globally. Stakeholders can ask questions, read our Statement of Ethics, submit ethical concerns and follow up on previously reported concerns. In addition to these resources, Walmart maintains a global case management system that serves as both a repository for ethics cases and a system for managing them. We have a documented process for handling ethical concerns that promotes consistency across our global operations. Our Global Ethics team promptly reviews, analyzes and assigns each actionable complaint — including those submitted anonymously. The Global Ethics team also oversees the prompt and thorough investigation of all actionable ethics complaints.
Safety

We prioritize providing safe and healthy working environments. Read more about Health & Safety at Walmart.

For more info and our Statement of Ethics, please visit our Ethics & Compliance website and WalmartEthics.com.

Occupational Safety and Health Administration recordable incident rates: Walmart U.S. and Sam’s Club vs. industry

*Sam’s Club and Walmart data restated for 2017

**Industry data have a one-year lag time and therefore do not appear in this chart
We have developed a program designed to protect our global enterprise, which is based on the National Institute of Standards Framework for Improving Critical Infrastructure Cybersecurity. We have also established defined procedures for responding in the event of a breach, including when and how to engage with internal management, stakeholders and law enforcement.

We have privacy policies in place regarding our treatment of customer data in both our offline and online U.S. Walmart and Sam’s Club retail environments. Our policies provide explanations of the types of information we collect, how we use and share information, and generally describe the measures we take to protect the security of that information. Our policies also describe how customers may initiate inquiries and raise concerns regarding the collection, sharing and use of their personal data.
ESG data
## Environment

### Climate change

<table>
<thead>
<tr>
<th>Goal: Achieve an 18% emissions reduction in Walmart’s own operations by 2025 (over 2015 baseline)</th>
<th>Percent change in Scope 1 and 2 annual emissions, FY2018 vs. FY2017</th>
<th>4.4% decrease&lt;sup&gt;42&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent change in Scope 1 and 2 annual emissions, 2017 compared with baseline</td>
<td>6.1% decrease&lt;sup&gt;41&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>Percent change in carbon intensity, per revenue, FY2018 vs. FY2017</td>
<td>7.2% decrease&lt;sup&gt;43&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>Percent change in carbon intensity as a percent of revenue, cumulative 2005-2017</td>
<td>42% decrease</td>
</tr>
<tr>
<td></td>
<td>Percent change in fuel efficiency of our U.S. fleet since achieving our 2005 goal of doubling the efficiency of our trucking fleet in 2015</td>
<td>11% (FY2017-FY2019 average) avoiding over 87,000 metric tons of CO&lt;sub&gt;2&lt;/sub&gt;e and saving $140 million in costs (FY2017-FY2019 cumulative)</td>
</tr>
</tbody>
</table>

| Goal: Power 50% of our operations with renewable sources of energy by 2025 | Estimated percentage of electricity needs supplied to Walmart by renewable sources | 28%<sup>44</sup> |

<table>
<thead>
<tr>
<th>Goal: Drive the production or procurement of 7 billion kilowatt hours (kWh) of renewable energy globally by Dec. 31, 2020 — an increase of more than 600 percent vs. our 2010 baseline</th>
<th>Total renewable energy produced or procured by Walmart-driven projects</th>
<th>2.3 billion kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New renewable generation capacity brought on by Walmart since 2008 (net new to the grid vs. purchases)</td>
<td>We completed contracts for another 136 new solar and wind projects, which will add an additional estimated 2.14 billion kWh annually once operational.</td>
</tr>
<tr>
<td></td>
<td>Number of Walmart on-site and off-site renewable projects</td>
<td>850 megawatts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>We completed contracts for 136 new solar and wind projects, which will add an an additional estimated 576 megawatts of new renewable generation capacity once operational.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;520 in operation or under development in 8 countries</td>
</tr>
</tbody>
</table>

*All results are as of the end of FY2019 unless otherwise noted*
**PRIORITIES (GOALS NOTED AND ITALICIZED)** | **METRIC** | **RESULTS**
--- | --- | ---
Goal: Double the number of on-site solar energy projects at our U.S. stores, Sam’s Club locations and distribution centers by 2020, compared with our 2013 baseline of 240 installations | Number of on-site solar installations | >350 representing 145.5 megawatts of solar capacity
Signed contracts to add more than 120 new installations by 2020

Goal: By Dec. 31, 2020, reduce the total kWh-per-square-foot energy intensity required to power our buildings around the world by 20 percent versus our 2010 baseline | Percent change in kWh-per-sq-ft energy intensity (between 2010-2017) | 13% decrease

Goal: Will also work to reduce or avoid 1 billion metric tons (MT) of CO₂ emissions from Scope 3 by 2030 (Project Gigaton™) | Avoided emissions reported by suppliers (cumulative 2017-2018) | >93 million MT
Avoided emissions reported by suppliers (2018) | >58 million MT
Number of suppliers participating | >1,000
Number of suppliers reporting | >380

Goal: By 2030, work with suppliers to reduce or avoid greenhouse gas emissions in our China value chain by 50 million metric tons | Avoided emissions reported by suppliers (2018) | 3.45 million MT

Electric vehicle (EV) charging stations | Number of EV charging stations available at Walmart stores and clubs across the U.S. | 435 (110 retail locations in 29 states)

Goal: Between 2016 and 2021, invest $25 million through Walmart and the Walmart Foundation in disaster response and preparedness | Grants awarded to date | >$55 million

*All results are as of the end of FY2019 unless otherwise noted*
<table>
<thead>
<tr>
<th>PRIORITIES (GOALS NOTED AND ITALICIZED)</th>
<th>METRIC</th>
<th>RESULTS*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainable supply chain</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sustainability Index</strong></td>
<td>Percent of suppliers participating where the Index is available</td>
<td>80%</td>
</tr>
<tr>
<td>Goal: More sustainably source 20 key commodities by 2025</td>
<td>Commodity</td>
<td></td>
</tr>
<tr>
<td><strong>Seafood</strong></td>
<td>Percent of sustainably sourced seafood, according to supplier reports</td>
<td>Nearly 100% Walmart U.S. and Sam’s Club</td>
</tr>
<tr>
<td>Goal: By 2025, all Walmart U.S., Sam’s Club, Asda, Walmart Canada, Walmart Mexico, and Walmart Central America fresh and frozen, farmed and wild seafood suppliers will source from fisheries who are third-party certified as sustainable, actively working toward certification or engaged in Fishery Improvement Projects</td>
<td>Wild: MSC or GSSI certified Fishery Improvement Project</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Farmed: BAP or ASC</td>
<td></td>
</tr>
<tr>
<td><strong>Row crops</strong></td>
<td>Estimated cumulative acres committed to fertilizer optimization and soil health practice programs, as reported by suppliers</td>
<td>36 million (fertilizer program and Project Gigaton)</td>
</tr>
<tr>
<td>Encourage suppliers to develop fertilizer optimization plans</td>
<td>Number of suppliers participating</td>
<td>17 suppliers</td>
</tr>
<tr>
<td><strong>Animal welfare</strong></td>
<td>Supplier implementation of video monitoring on sow farms for 100% of Walmart U.S. by end of 2018</td>
<td>100% — based on supplier reports, fresh pork suppliers have implemented video monitoring in a manner that is estimated to cover the volume supplier to Walmart U.S.</td>
</tr>
<tr>
<td>Advancing humane treatment of farm animals in accordance with 5 Freedoms of Animal Welfare</td>
<td>Percent of shell eggs at Walmart U.S. and Sam’s Club meeting United Egg Producers animal welfare requirements or equivalent</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Percent of shell eggs cage free</td>
<td>14% Walmart U.S. 18% Sam’s Club</td>
</tr>
<tr>
<td><strong>Coffee</strong></td>
<td>Percent of Sam’s Club U.S. private-brand coffee sales that were Fair Trade certified</td>
<td>89%</td>
</tr>
<tr>
<td>Source U.S. private-brand coffee more sustainably by the end of 2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*All results are as of the end of FY2019 unless otherwise noted
<table>
<thead>
<tr>
<th>PRIORITIES (GOALS NOTED AND ITALICIZED)</th>
<th>METRIC</th>
<th>RESULTS*</th>
</tr>
</thead>
</table>
| Bananas and pineapples               | Percent of our sourcing contracts that request supplier to source first from certified farms. Actual supply may vary based upon availability. | Bananas: 100% — Walmart U.S. and Sam’s Club 100% — Asda  
Pineapples: 80% — Walmart U.S. 60% — Asda |
| Apparel and home textiles            | Percent of product sales of apparel and soft home categories sourced from supplier facilities that have completed the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment for Walmart U.S. | 45% |
| Deforestation                        | According to supplier reported data for calendar year 2018:  
RSPO Identity Preserved  
RSPO segregated or equivalent  
RSPO Mass Balance  
Palmtrace Credits  
Percentage private-brand pulp and paper volume certified by the Forest Stewardship Council, Programme for the Endorsement of Forest Certification, Sustainable Forestry Initiative or is using recycled content. Based upon supplier reports for calendar year 2018. | RSPO Identity Preserved: 0.02%  
RSPO segregated or equivalent: 12.87%  
RSPO Mass Balance: 47.38%  
Palmtrace Credits: 39.72%  
91% |
| Goal: Conserve 1 acre of land for every acre developed by Walmart stores U.S. | Total acres conserved by Acres for America since 2005 | 1.4 million acres |

*All results are as of the end of FY2019 unless otherwise noted.
<table>
<thead>
<tr>
<th>PRIORITIES (GOALS NOTED AND ITALICIZED)</th>
<th>METRIC</th>
<th>RESULTS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste diverson</td>
<td>Percent of waste materials diverted from landfill and incineration</td>
<td>78%†</td>
</tr>
<tr>
<td>Goal: Achieve zero waste to landfill from our own operations in key markets, including the U.S., U.K., Japan, and Canada by 2025 in accordance with Zero waste International Alliance guidelines</td>
<td>Percent of waste materials diverted from landfill and incineration per market: Walmart U.S., Walmart Canada, Walmart Japan, Asda</td>
<td>Walmart U.S: 81%  Walmart Canada: 87%  Walmart Japan: 77%  Asda: 85%</td>
</tr>
<tr>
<td>Customer recycling</td>
<td>Pounds collected through customer recycling programs at Walmart Argentina, Chile, Japan, Mexico and the U.K. calendar year 2018</td>
<td>24 million pounds</td>
</tr>
<tr>
<td>Food donations</td>
<td>Pounds of food donated globally</td>
<td>720 million pounds</td>
</tr>
<tr>
<td>Labeling</td>
<td>Percent private-brand suppliers using “Best If Used By” date label terminology in the U.S. unless a food safety or regulatory reason might prevent them from doing so</td>
<td>92%</td>
</tr>
<tr>
<td></td>
<td>Number private-brand suppliers in How2Recycle® program in the U.S.</td>
<td>&gt;800 suppliers</td>
</tr>
<tr>
<td></td>
<td>Number SKUs received How2Recycle® label in U.S.; includes Walmart U.S., Sam’s Club and Jet.com</td>
<td>&gt;16,000 SKUs</td>
</tr>
</tbody>
</table>

*All results are as of the end of FY2019 unless otherwise noted
### Social

<table>
<thead>
<tr>
<th>PRIORITIES (GOALS NOTED AND ITALICIZED)</th>
<th>METRIC</th>
<th>RESULTS*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail opportunity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walmart associates</td>
<td>People employed, worldwide</td>
<td>~2.2 million</td>
</tr>
<tr>
<td></td>
<td>People employed, U.S.</td>
<td>1.5 million</td>
</tr>
<tr>
<td>Compensation and benefits (U.S.)</td>
<td>Walmart U.S. minimum starting hourly wage (federal minimum wage as of March 2019, $7.25/hour)</td>
<td>$11.00 as of March 2019</td>
</tr>
<tr>
<td></td>
<td>Average full-time, hourly field wage in Walmart U.S. stores</td>
<td>$14.26</td>
</tr>
<tr>
<td></td>
<td>Average full-time, hourly field total compensation and benefits Walmart U.S. stores</td>
<td>$19.31</td>
</tr>
<tr>
<td></td>
<td>Bonuses paid to full-time and part-time Walmart U.S. hourly associates</td>
<td>$793 million</td>
</tr>
<tr>
<td></td>
<td>Paid time off (PTO) for hourly associates (full-time and part-time), U.S.</td>
<td>Full-time hourly: Up to 256 hours of regular PTO, based on tenure, and up to 48 hours of protected PTO. Associates roll over up to 80 hours of regular PTO and all unused protected PTO at the end of the year. Any remaining regular PTO is cashed out to the associate.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Part-time hourly: Up to 96 hours of regular PTO, based on tenure, and up to 48 hours of protected PTO. Associates roll over up to 48 hours of regular PTO and all unused protected PTO at the end of the year. Any remaining regular PTO is cashed out to the associate.</td>
</tr>
</tbody>
</table>

*All results are as of the end of FY2019 unless otherwise noted*
<table>
<thead>
<tr>
<th>PRIORITY (GOALS NOTED AND ITALICIZED)</th>
<th>METRIC</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation and benefits (U.S.)</td>
<td>Full-time hourly or salaried paid maternity leave (stackable with parental leave), U.S.</td>
<td>10 weeks — effective March 2018</td>
</tr>
<tr>
<td></td>
<td>Full-time hourly or salaried paid parental leave after 12 months of service, U.S.</td>
<td>6 weeks — effective March 2018</td>
</tr>
<tr>
<td></td>
<td>Health insurance for all full- and part-time associates who have worked an average of 30 hours per week over the past 12 months, U.S.</td>
<td>Starting ~$26/pay period</td>
</tr>
<tr>
<td>Additional benefits (U.S.)</td>
<td>Store discount, full- and part-time Walmart U.S. associates, effective after 90 days of employment</td>
<td>~10% off regularly priced general merchandise, fresh fruits and vegetables</td>
</tr>
<tr>
<td></td>
<td>401(k)</td>
<td>Full- and part-time associates can start contributing to their 401(k) on their first day with the company. Walmart provides up to a 6% company match after one year/1,000 hours on the job.</td>
</tr>
<tr>
<td></td>
<td>Stock purchase</td>
<td>Walmart matches 15% of the first $1,800 U.S. associates contribute to their stock purchase program, up to $270 per plan year (age restrictions apply).</td>
</tr>
<tr>
<td>Promotions (U.S.)</td>
<td>Walmart U.S. store associates promoted to jobs of greater responsibility and higher pay</td>
<td>&gt;215,000</td>
</tr>
<tr>
<td>Training (U.S.)</td>
<td>Walmart U.S. store associates trained, Pathways program (since 2016)</td>
<td>&gt;850,000</td>
</tr>
<tr>
<td></td>
<td>Walmart U.S. store associates trained, Walmart Academy (since 2016)</td>
<td>&gt;800,000</td>
</tr>
<tr>
<td></td>
<td>% of those trained who were women</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>Number of U.S. Academy training facilities</td>
<td>199</td>
</tr>
</tbody>
</table>

*All results are as of the end of FY2019 unless otherwise noted*
### Priorities (Goals Noted and Italicsd)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Results*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity &amp; Inclusion: U.S. associates who are women; people of color</td>
<td>55%; 44%</td>
</tr>
<tr>
<td>U.S. managers who are women; people of color</td>
<td>43%; 33%</td>
</tr>
<tr>
<td>Percent of U.S. hourly promotions who are women; people of color</td>
<td>57%; 45%</td>
</tr>
<tr>
<td>Percent of U.S. management promotions who are women; people of color</td>
<td>43%; 38%</td>
</tr>
<tr>
<td>U.S. officers who are women; people of color</td>
<td>32%; 21%</td>
</tr>
<tr>
<td>Percent of Walmart Board who are women; people of color</td>
<td>25%; 16%</td>
</tr>
<tr>
<td>Retail Opportunity grants awarded by Walmart and the Walmart Foundation (since 2015)</td>
<td>&gt;$100 million</td>
</tr>
<tr>
<td>Sourcing of products supporting American jobs</td>
<td>On track</td>
</tr>
<tr>
<td>Sales of locally grown produce</td>
<td>&gt;$1 billion</td>
</tr>
</tbody>
</table>

*All results are as of the end of FY2019 unless otherwise noted*
### Responsible supply chains

<table>
<thead>
<tr>
<th>PRIORITIES (GOALS NOTED AND ITALICIZED)</th>
<th>METRIC</th>
<th>RESULTS*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responsible Sourcing program</strong></td>
<td>Supplier disclosed facilities in “active” status</td>
<td>&gt;25,800</td>
</tr>
<tr>
<td></td>
<td>Walmart reviewed and assessed audits conducted by third-party audit programs</td>
<td>&gt;14,700</td>
</tr>
<tr>
<td></td>
<td>Audit assessments:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>23.7% — Green</td>
<td></td>
</tr>
<tr>
<td></td>
<td>63.1% — Yellow</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.8% — Orange</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.3% — Red</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.1% — Small supplier program</td>
<td></td>
</tr>
<tr>
<td></td>
<td># cases opened involving allegations of supply chain misconduct</td>
<td>&gt;600</td>
</tr>
<tr>
<td></td>
<td># cases Walmart engaged suppliers directly in issue response</td>
<td>&gt;65</td>
</tr>
<tr>
<td></td>
<td># facilities remediated from orange to either yellow or green assessments</td>
<td>&gt;480</td>
</tr>
<tr>
<td></td>
<td># suppliers Walmart stopped doing business with in response to serious violations of our Standards since 2012</td>
<td>&gt;30</td>
</tr>
<tr>
<td><strong>Commitment:</strong> Walmart has committed to use our ability to bring together stakeholders, including industries, civil society, governments or international organizations, to address the major potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025</td>
<td>Retail supply chains in focus</td>
<td>Five including:</td>
</tr>
<tr>
<td></td>
<td>Amount sourced from diverse suppliers, direct and indirect, U.S.</td>
<td>Apparel in Bangladesh</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Produce in the U.S. and Mexico</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shrimp in Thailand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tuna processed in Thailand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronics sourced for the U.S. retail market supply chain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;$11 billion</td>
</tr>
</tbody>
</table>

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### Providing affordable, safer and healthier products

<table>
<thead>
<tr>
<th>Goal: By 2022, aim to reduce the footprint of Priority Chemicals in U.S. Walmart and Sam’s Club assortments by 10%</th>
<th>Progress: baseline calculated approximate consumable chemical footprint for stores and clubs</th>
<th>Progress to be reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline established</td>
<td>&gt;189 million pounds (lbs.) for Walmart U.S.</td>
<td></td>
</tr>
<tr>
<td>&gt;31 million lbs. for Sam’s Club</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goal: In 2016, Walmart and the Walmart Foundation committed to invest $25 million in projects to advance food safety in China over five years</th>
<th>Amount invested in projects to date</th>
<th>$15 million</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Goal: In 2014, Walmart and the Walmart Foundation set a goal to provide nutrition education to 4 million people by 2020</th>
<th>Estimated impact of grants awarded</th>
<th>&gt;4 million people</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Goal: Between 2014 and 2019, provide 4 billion meals to those who need them through grants from Walmart and the Walmart Foundation and food donations from Walmart stores, Sam’s Club locations and distribution centers</th>
<th>Impact of grants awarded, based upon grantee reports</th>
<th>&gt;4 billion meals</th>
</tr>
</thead>
</table>

### Communities

<table>
<thead>
<tr>
<th>Goal: Offer a job at Walmart or Sam’s Club locations to any eligible honorably discharged U.S. veteran who has been discharged since Memorial Day 2013. Commit to hire 250,000 veterans by 2023.</th>
<th>Number of veterans hired</th>
<th>219,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of veterans promoted</td>
<td>33,405</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local grants</th>
<th>Local grants made by stores, clubs, other facilities in the U.S.</th>
<th>&gt;$42 million</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Associate giving</th>
<th>U.S. associate hours volunteered</th>
<th>&gt;776,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount donated to match volunteerism, U.S.</td>
<td>&gt;$7.6 million</td>
<td></td>
</tr>
</tbody>
</table>

*All results are as of the end of FY2019 unless otherwise noted*
We acknowledge the importance of the United Nations Sustainable Development Goals (SDGs), which aim to make significant progress on global economic, social and environmental challenges by 2030.

The following eight goals represent those most relevant to Walmart’s ESG initiatives.

- Zero hunger
- Gender equality
- Affordable and clean energy
- Decent work and economic growth
- Sustainable cities and communities
- Climate action
- Life below water
- Life on land

**Environmental**
- Climate change
- Responsible supply chains
- Waste

**Social**
- Retail opportunity
- Responsible supply chains
- Inclusive sourcing
- Safer & healthier food and other products
The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wildlife Fund (WWF), and is one of the We Mean Business Coalition commitments. The SBTi validated Walmart’s greenhouse gas emissions reduction target as science-based in November 2016, indicating that the target is in line with the level of decarbonization required to keep global temperature increase below 2°C compared with pre-industrial temperatures.

Based upon total average Index scores achieved by participating suppliers in categories where the Index is available in calendar year 2018 as compared to 2016.

Decline in emissions (Scopes 1 and 2) between 2015 and 2017 is adjusted for the most recent grid factors. On an unadjusted basis (as reported to CDP, using grid factors available in the year of reporting), the decline was 11.2%. Measurement accounts for changes in majority-owned subsidiaries over time through corresponding adjustments to baseline and year of measurement.

This considers the combined contribution of the renewable energy credits and power generated from on-site and off-site projects, as well as renewable energy that we receive from utility-owned renewable generation feeding into the grids where our sites are located. At the time this report was prepared, calendar year 2017 was the most recent year for which we had third-party-verified energy consumption data. This was used in combination with the electricity procured from our renewable energy projects in 2018 and the most recent grid fuel mix information obtained from the International Energy Agency for the regions where we operate.

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Annual Scopes 1 and 2 greenhouse gas (GHG) emissions and carbon intensities correspond to the results we disclose in response to the annual CDP climate change questionnaire and can be downloaded from the CDP website. The methodology is in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, meaning we use the latest available emissions factors for energy grids at the time of annual reporting to CDP. As a result, emissions reported to CDP in any given year are subject to the grid factors available in the year of reporting. Lucideon CICS independently verified Walmart’s reported Scope 1 and Scope 2 emissions, pursuant to ISO 14064-3 (the international standard for verification of greenhouse gas inventories). For more details, please refer to Walmart’s Greenhouse Gas Inventory Methodology attached to our CDP disclosures.

Carbon intensity (Scopes 1 and 2 per revenue) calculation is based on emissions reported to CDP for calendar year (Jan 1-Dec 31) and normalized by total annual revenues as measured by Walmart’s fiscal year (Feb 1-Jan 31). The intensities correspond with the Scopes 1 and 2 emissions as reported in our annual GDP response and have not been adjusted for most recent grid factor updates.

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The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wildlife Fund (WWF), and is one of the We Mean Business Coalition commitments. The SBTi validated Walmart’s greenhouse gas emissions reduction target as science-based in November 2016, indicating that the target is in line with the level of decarbonization required to keep global temperature increase below 2°C compared to pre-industrial temperatures.

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2 Based upon total average Index scores achieved by participating suppliers in categories where the Index is available in calendar year 2018 as compared to 2016.

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

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Annual Scopes 1 and 2 GHG emissions and carbon intensities correspond to the results we disclose in response to the annual CDP climate change questionnaire and can be downloaded from the CDP website. The methodology is in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, meaning we use the latest available emissions factors for energy grids at the time of annual reporting to CDP. As a result, emissions reported to CDP in any given year are subject to the grid factors available in the year of reporting. Lucideon CICS independently verified Walmart’s reported Scope 1 and Scope 2 emissions, pursuant to ISO 14064-3 (the international standard for verification of greenhouse gas inventories). For more details, please refer to Walmart’s Greenhouse Gas Inventory Methodology attached to our CDP disclosures.

Carbon intensity (Scopes 1 and 2 per revenue) calculation is based on emissions reported to CDP for the calendar year (Jan 1-Dec 31) and normalized by total annual revenues as measured by Walmart’s fiscal year (Feb 1-Jan 31). The intensities shown in this chart correspond with the Scopes 1 and 2 emissions as reported in our annual CDP response and have not been adjusted for most recent grid factor updates.

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Meeting or exceeding Zero Waste International Alliance business recognition program requirements, which include adoption of the ZWIA definition of zero waste and achievement of 90% or more diversion of all discarded resources from landfills, incinerators and the environment. We measure reductions in food waste through use of the following: Measurement metric = total weight of non-diverted food in pounds (i.e., landfill and controlled combustion without energy recovery) / total weight of all food sold in pounds. Zero waste goal and reporting scope includes waste materials and products generated in Walmart’s owned facilities and its operations (stores, clubs, warehouses, return centers, truck maintenance garages, etc.).

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Based upon average hourly wage calculated for full-time associates assigned to Walmart U.S. stores, excluding Health and Wellness, as of March 15, 2019.

Based upon average hourly wage calculated for full-time associates assigned to Walmart U.S. stores, excluding Health and Wellness, as of March 15, 2019, plus value of FY2019 benefits.

Diversity & inclusion numbers are calculated based upon total U.S. workforce, including associates in the U.S. regardless of whether assigned to a subsidiary that owns or operates an ecommerce business, platform and/or marketplace.

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33 Individuals with revenue-producing responsibility are those U.S. corporate and field managers with profit and loss (P&L) responsibilities.

34 Individuals with revenue-producing responsibility are those U.S. corporate and field managers with P&L responsibilities.

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38 A diverse supplier is defined as a U.S. privately held company that is recognized as 51% owned and operated by a woman, minority, veteran, disabled veteran, person with a disability or a member of the lesbian, gay, bisexual or transgender (LGBT) community.

39 A diverse supplier is defined as a U.S. privately held company that is recognized as 51% owned and operated by a woman, minority, veteran, disabled veteran, person with a disability or a member of the lesbian, gay, bisexual or transgender (LGBT) community.

40 Decline in emissions (Scope 1 and 2) between 2016 and 2017, is adjusted for most recent grid factors as of 2018. On an unadjusted basis (as reported to CDP, using grid factors available in the year of reporting), the decline was 9.9%.

41 Decline in emissions (Scope 1 and 2) between 2015 and 2017, is adjusted for most recent grid factors. On an unadjusted basis (as reported to CDP, using grid factors available in the year of reporting), the decline was 11.2%. Measurement accounts for changes in majority-owned subsidiaries over time through corresponding adjustments to baseline and year of measurement.

42 Annual Scopes 1 and 2 GHG emissions and Carbon Intensities correspond to the results we disclose in response to the annual CDP Climate Change questionnaire and can be downloaded from the CDP website. The methodology is in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, meaning we use the latest available emissions factors for energy grids at the time of annual reporting to CDP. As a result, emissions reported to CDP in any given year are subject to the grid factors available in the year of reporting. Lucideon CICS independently verified Walmart’s reported Scope 1 and Scope 2 emissions, pursuant to ISO 14064-3 (the international standard for verification of Greenhouse Gas inventories). For more details, please refer to Walmart’s Greenhouse Gas Inventory Methodology attached to our CDP disclosures.

43 Carbon intensity (Scopes 1 and 2 per revenue) calculation is based on emissions for calendar year and normalized by total annual revenues as measured by Walmart’s fiscal year. Decline in carbon intensity (Scopes 1 and 2 per revenue) between FY2017 and FY2018 is adjusted for most recent grid factors as of 2018.

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50 Publicly registered FIPs include FIPs and Pre-FIPs, both of which are registered with Fishsource.

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

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55 Salaried associates — eligible as of hire date/full-time hourly associates — eligible following 12 months of service.

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