

Walmart Canada

Corporate Social Responsibility Report









Introduction

Message from the President and CEO



"Welcome to Walmart Canada's 2009 Corporate Social Responsibility Report. As a growing company and employer in Canada, we see corporate social responsibility as one of our biggest duties. Our size gives us considerable influence and with it comes considerable responsibility – one that we accept in order to help Canadians save money and live better.

Our perspective and priorities fit broadly into four categories of CSR: Environment, People, Responsible Sourcing and Community. This report summarizes our efforts, both large and small, that we are making and spells out our plans for continued improvement.

Our goal for this report is to present an open look at the impact of our operations and activities here in Canada over the past year. We're very proud of the progress we've made so far but we're under no illusions that there's plenty more to do. I know you'll find this report interesting and I really challenge you to give us feedback. We'd like to do the best we can and we know that our work has just started."

David Cheesewright,

President and CEO Walmart Canada

What to look for in our 2009 CSR Report:

	Key Performance Indicators (KPIs)2
#	Environment:6 Working to reduce our environmental footprint
	People:
	Responsible Sourcing:
	Community Investment:
	Community Involvement:

About this CSR report

This Corporate Social Responsibility (CSR) Report takes an in-depth look at the environmental, social and economic impact of Wal-Mart Canada Corp. and the actions taken to meet our CSR commitments during our fiscal year from February 1st 2009 to January 31st 2010.

First released July 15th, 2010, this report includes the performance metrics that we are using to track and evaluate our CSR progress going forward. Our intent is to share information on issues that are most relevant to our stakeholders, customers, associates, suppliers, fellow retailers, and the communities where we operate. To learn more about sustainability at Wal-Mart Stores, Inc., please visit the Walmart Global Sustainability Report at www.walmartstores.com/sustainabilityreport.

Our Social Commitment

At Walmart Canada, corporate social responsibility (CSR) is a commitment to operate in a way that promotes positive outcomes for our environment, our associates, those who manufacture the merchandise on our shelves, and the communities in which we do business.

From the beginning, our mission has been to lower prices to save Canadians money so they can live better. Today, we have a greater appreciation of how the many choices we make as a company can enable others, both in Canada and around the world, to truly live better.

Reporting standard

To create a relevant and useful report, Walmart Canada has reviewed a number of external resources to help shape and draft its content. These include the Global Reporting Initiative (GRI) standards, the most widely accepted sustainability reporting framework for companies worldwide. The GRI standards are used as a benchmarking tool only.

Stakeholder engagement:

To ensure that we are reporting accurately and relevantly to stakeholders, Walmart Canada is partnering with consultants from Canadian Business for Social Responsibility (CBSR). CBSR is a non-profit CSR consultancy and peer-to-peer learning organization that works with member companies across Canada to improve their respective social, environmental and economic performance.

In February 2010, CBSR helped Walmart Canada to initiate a formal stakeholder- engagement process to identify and invite individual stakeholders to participate in discussions in Ontario and Quebec. We asked community leaders, non-governmental organizations and others to help review and guide content for our CSR reporting. We have used this feedback as a content guide for this report and will continue to do so into the future.

CSR Task Force

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Andrew Telfer - Manager, Sustainability

Jim Thompson - Chief Operations Officer



About us

About Walmart Canada

Walmart Canada was originally established in 1994 by acquiring 122 Woolco stores. With headquarters in Mississauga, Ontario, Walmart Canada now operates more than 300 stores, including traditional discount stores, supercentres and our new environmental demonstration store in Burlington, Ontario. With more than 83,000 associates as of January 2010, the company is now Canada's third-largest employer.

Wal-Mart Stores, Inc. (global)

Walmart's defining principles such as Everyday Low Prices, our Three Basic Beliefs, Servant Leadership and our Open Door Policy are common to all Walmart operations.

Ethical Sourcing is managed by Walmart's Ethical Sourcing team, based in retail markets and sourcing countries around the world.

Wal-Mart Stores, Inc. may launch major global initiatives aligning all worldwide operations such as our global commitment to operate sustainably. However, our specific initiatives to meet our sustainability goals here in Canada are largely made-in-Canada solutions.

At a Glance (as of July 2010)

In Canada since	1994
Total Stores	319
Walmart Discount Stores	219
Walmart Supercentres	100
Associates	80,000+

Our Mission and Beliefs

Saving Canadians money so they can live better.

Our beliefs

Respect for the individual. Service to customers. Strive for excellence.

Our relationship to Wal-Mart Stores, Inc.

People are often surprised to learn that Walmart Canada operates largely as an independent company within the global Walmart organization. While ideas like the Walmart operating philosophy and values come to us from our parent company, most decisions that impact our business and our customers on a daily basis are made in Canada.

Key Performance Indicators

Reporting Area	Key Performance Indicators	2007 Results	2008 Results	2009 Result
Environment	Greenhouse Gas (GHG) produced in Canada:			
1002000	Emission per retail sq. ft			
Alex	Metric Tonnes CO ₂ Equivalent	0.0076	0.0078	0.0077
	Direct - Metric Tonnes C0, Equivalent	71,559	89,093	96,880
	Indirect - Metric Tonnes CO ₂ Equivalent	195,234	206,028	207,443
	Total electricity intensity per retail sq. ft.	19.41 kWh	19.43 kWh	18.65kWh
	(Overall greenhouse gases have increased compared to 2008 due to the addition of have mitigated in increase when measured on a square foot basis. Note: Numbers have been adjusted for 2008 from previous reports.	new and expanded stores, ho	wever, improvements in energy	y efficiency and design
	Total waste diversion	101,720,924 Kgs	123,658,592 Kgs	124,093,518 Kg
	Percentage of waste diversion	N/A	65%	80%
	Number of environmentally improved products	300+	700+	1000+
De code	Normalis and a second second second second second			
People	Number of associates who received operational and leadership training	1,507	2,383	5,300
0 ₀₀	Percentage of associates who received	1,507	2,303	3,300
TIL	computer based training	100%	100%	100%
	Percentage of managers/senior managers	10070	10070	10070
	who are women	45.90%	45.60%	47.40%
	(Sr. Management 2007 - 26.1%; 2008 - 26%; 2009 - 29.9%)	13.50 /0	13.0070	17.1070
	Number of associates promoted	0.400	0.000	6 600
	Number of associates promoted	9,400	9,900	6,600
Responsible Sourcing	Number of Factory Audits:			
	Direct Imports by Walmart Canada	1,077 audits	814 audits	539 audits
		of 735 factories	of 551 factories	of 465 factories
WIL.	Domestic Imports (imports by Canadian suppliers)	517 audits	492 audits	542 audits
		of 327 factories	of 346 factories	of 510 factories
	Percentage of Unannounced Audits	28	15	26
	Number of Factories disapproved	30	11	17
	Number of suppliers and factory managers attending	10.000	14207	2.040
	Ethical Standards training (globally)*	10,000	14,297	2,940
Community				
Community	Number of Canadian suppliers and service providers	6,311	6,879	7,726
Investmenť	Payments to Canadian suppliers and service providers	\$11.2 Billion	\$13.8 Billion	\$14.2 Billion
(mark)	Number of new jobs created	4,961	5,083	1,714
	Number of new jobs created in construction trades	3,650	5,000	5,400
M.M.				
Community	Total contributions:	ć 1 2 M:II:	¢14 € M:U:	ć17 O M!II:
Involvement	Raised through Fundraising	\$13 Million \$6.9 Million	\$14.6 Million \$7.9 Million	\$17.8 Million \$7.7 Million
	Donated by Walmart Canada	NOIIIIINI K.OÇ	HOIIIINI E. / Ç	\$7.7 IVIIIIIVI

^{*} No Canada specific data is available for this statistic, as many of the factories producing merchandise for Walmart Canada also produce merchandise for Wal-Mart Stores, Inc.



Working for a better world



Walmart Canada is dedicated to reducing its environmental impact. With the world's climate and resources under threat, our company is among those taking the lead to help change business for the better.

Walmart Canada is powering its commitment to be environmentally sustainable by targeting three core goals we share with Walmart globally:

- Be supplied 100 per cent by renewable energy
- Create zero waste
- Sell products that sustain people and the environment

Each year we work to accomplish key sustainability objectives with these goals firmly in mind. Walmart Canada asks stakeholders to review our 2009 performance – as we build upon the mandate to measure and document our progress and highlight both the achievements and challenges along the way.



Our goals for 2010 and beyond

- 1. To create zero waste:
 - Divert 90 per cent of our company waste from Landfill by 2015
 - · Continue to divert 95 per cent of our home office waste from landfill each month
 - Reduce packaging by 5 per cent by 2013
 - Reduce plastic shopping bag waste by 50 per cent by 2013
- 2. To be 100 per cent supplied by renewable energy:
 - Reduce GHG emissions from our supply chain by 15 per cent by 2014
 - Test wind and solar energy in 2010
 - Reduce GHG emissions from refrigerants
 - Retrofit existing Walmart stores to attain 20 per cent energy efficiency when compared to our same type 2005 baseline stores
- 3. To sell products that sustain people and the environment:
 - Encourage vendor partners who manufacture and sell environmentally friendly products to seek certification from unbiased, legitimate third-party organizations
 - Launch step 1 of the Product Sustainability Index in 2010
 - Purchase all wild-caught fresh and frozen fish from fisheries certified to the MSC standard, or equivalent, by 2013; Work with aquaculture certification organizations to certify that our farmed fish suppliers adhere to Best Aquaculture Practices by 2013; Source all tuna from an International Seafood Sustainability Foundation (ISSF) member by 2013
 - Begin to develop a sustainable agriculture program in 2010
 - Eliminate all phosphates from dish and laundry detergents sold by 2011

Building greener: Balzac, Alberta

The road to sustainability is all about knowing when to take the initiative.

In Balzac, Alberta, we are taking the lead by constructing the Walmart Canada Perishable Distribution Centre (PDC), designed to be one of the most sustainable such facilities in North America.

Slated to open in October 2010 as a major distribution hub, the massive 400,000 square foot PDC will be one of Canada's largest refrigerated buildings - designed to house a complex assembly of sustainable technologies and systems built right into its infrastructure. The priority sustainability issues are waste, energy, water and material consumption.

Working closely with project partners: architects Petroff Partnership, construction company Stuart Olson and sustainability advisors Stratos, Walmart Canada has taken a life cycle approach to sustainability that encompasses the entire project.

Right from the start, Walmart was determined that the construction process itself would be as green as the final result. Stuart Olson paved the way by bringing in Stratos to ensure the sustainability of all building materials and map out a comprehensive waste eduction strategy. The shared objective was to make Balzac a zero waste site and to audit the progress during construction.

Creating a green culture

The first priority was to create a sustainability mindset for construction crews working on-site. Stratos provided sustainability training for all the sub-contractors, including everyone from electricians to framers and builders, to help them develop the right expertise and frame of mind.

Keeping sustainability top of mind requires constant attention, training, discussion and procedures, along with the appropriate checks and balances. As the general level of awareness on the project increased, we found immediate payback as team members brought forward solutions to day-to-day sustainability challenges.

We have put a number of provisions into play to keep the focus on sustainability. Outdoor signage tells all team members and visitors that they are entering a sustainable construction zone. Individual workers must complete a sustainability orientation before commencing work, and are encouraged to make a personal sustainability commitment. We put clear procedures in place on-site, regarding waste disposal, recycling and idling, as well as incentives for team members who bring new ideas and energy to sustainability.

The overriding sense of commitment is reinforced through the site sustainability commitment – signed by all key partners – as well as through site spot checks and regular discussions at the weekly team meetings.

Project challenges

With the best of intentions, the realities of such a large, time sensitive, weather dependent project demonstrate we still have work to do. For example, the weekly spot checks have turned up waste that was disposed of rather than recycled. We also need to source alternatives to replace certain construction materials that are difficult to reuse or recycle. Throughout the entire process, we've tracked our performance data to monitor progress and evolved our approach as issues arise.

Driving Green Innovation

We know it will be energy intensive to operate a large refrigerated building on the scale of Balzac. We have carefully evaluated purchasing decisions and technology choices with the goal of minimizing our energy footprint.

We challenged all aspects of the design to make the best use of existing and emerging technologies, including everything from how we design internal doorways and dock door windows to insulating dock plates and upgrading seals to reduce energy loss.

We have adopted a number of innovative technologies like the use of full-envelope infrared scanning to identify any energy losses. By making industrial-scale purchases of these emerging technologies, we can expedite faster market acceptance. The goal is to improve sustainability performance and drive down costs for Walmart and our customers.

Here are some of the green innovations at work in Balzac:

Light-bulb free warehouse:

- In a first for the industry, the Balzac PDC will be lit by low-energy solid-state lighting. This includes LED lights in the warehouse, exterior, dock doors, and forklifts. LED lights are being used for their durability, high lumen per watt ratio, and instant re-strike capabilities in a refrigerated environment.
- Return on Investment (ROI): We forecast that LED lighting in Balzac will deliver \$1 million over seven years in operating cost savings.

Endorsing hydrogen as the fuel of the future:

- All material handling equipment at the PDC will be powered by hydrogen fuel cells. New fuel cell technology will enable us to power forklifts with near zero emissions and dramatically reduce energy consumption. Hydrogen (produced by hydro electric power) will be shipped to Balzac for on-site refuelling of the hydrogen cells. Not only is there a compelling environmental benefit for this technology, but it also eliminates the need for a large battery-charging area as well as providing improved performance. We are also exploring the possibly of equipping on-site shunt trucks with hydrogenpowered fuel cells and expanding the use of fuel cells to other Walmart distribution centres in the area.
- Return on Investment: We expect using fuel cells at Balzac will deliver \$2 million over seven years in operating cost savings.

Solar and Wind Power:

• We have also invested in technologies to deepen our knowledge of their potential. For example, we used tank-less water heaters in small warehouse office areas to minimize energy use and installed a solar thermal hot water system for the main office and maintenance area. We are currently in negotiation to install windmills on the site to generate some of our own electricity.

Our learning never stops

Balzac proves there's no need to wait for sustainability. The technologies and solutions are here and now – and ready to be put into practice. This project showcases the immediate returns of investing in green innovations and the positive impact of a sustainability culture.

The Balzac development team has formed a sustainability council to discuss all capital and consumable purchases and to push for immediate action. We're confident that the Balzac operation will not only set a new standard for perishable distribution centres but also help Canadians keep saving money along the way.

Sustainability: Leading by example

Walmart Canada is taking action on sustainability in a spirit of open collaboration – by working with our associates and suppliers – and by sharing green technologies and learning with competitors.

2009 marked the pivotal first phase in our Five-Year Plan to lead the Canadian retail industry in terms of sustainability practices and to be responsible corporate stewards for the environment.

A company-wide passion for efficiency

For Walmart, the challenges of sustainability represent a huge business opportunity – entirely consistent with the classic business model that has driven our success.

We've always been about saving people money and giving them better prices – something made possible by reducing costs at every stage of the business and leveraging volume.

Starting in earnest in 2005, Walmart Canada began applying this same kind of life cycle approach to address environmental challenges – finding ways to improve efficiencies right from the start to the finish of the product or energy life cycle – in areas including packaging, energy efficiency and responsible sourcing.

Every time Walmart successfully reduces energy and packaging or minimizes waste, it also reduces costs. Many of these green initiatives hold the added bonus of earning an improved return on investment.

Sustainability is one area where Walmart Canada can use its size to advantage. Our operations can and do make a difference on a global level along our entire supply chain – affecting everything from sourcing to packaging to spurring new eco-friendly product development. We are joining with other businesses here in Canada and abroad to leverage our collective efforts to achieve even more.

Ultimately, it's the customer who wins with lower prices, better choices, and a better feeling about our brands. For Walmart Canada, the drive to sustainability makes good on our promise to 'Save money. Live Better' and do our part to help the planet in the process.

The rise of the PSP at Walmart Canada: Sustainability gets personal

No sooner launched in the summer of 2008 than a nationwide initiative called the Personal Sustainability Project (PSP) took off with a life all its own at Walmart Canada. The premise was simple – to give each of our 83,000 Canadian associates the opportunity and the tools to do something good for the environment or for their own health and well-being. Whatever they chose, that was their Personal Sustainability Project.

They could make their PSP anything they liked: from small everyday projects like switching to a reuseable mug for their coffee to carpooling to work. An individual associate could pledge to lose weight or quit smoking – or join together, as they later did in a northern Ontario Walmart store, to lead an effort to promote green cleaning products to decrease green algae blooms caused by detergent phosphates in their local lakes.

By the end of 2008, the program was up and running in all of our stores across the country – launched by four Walmart sustainability trainers and put into action by the associates themselves. Each store manager chose a lead PSP captain who was trained in how to run the program, pick their team of fellow associates and track the results.

One thing leads to the next

The challenge for the PSP captains was to encourage fellow associates to participate. Associates responded by initiating small and big projects, multiple projects, shared projects with other associates and through whole departments and stores.

The 2008 program targets were ambitious: to collect and track 25,000 individual PSPs within six-months. The reality went far higher – the associates exceeded all expectations by racking up nearly 60,000 PSPs in the same timeframe.

Flash forward to 2009, and associates once again swept past the target of 140,000 PSPs – reaching 174,000 PSPs by year's end. This total includes all the associates, their families, customers, schools that the program has brought on board along the way.

Associates have made the PSP so successful that the company plans to invest more resources in the near future to make the program even more impactful and useful for associates in their daily lives.

Waste Diversion: Nailing the targets

In 2008, Walmart Canada successfully met its long-time goal of 65 per cent waste diversion from landfill across all its national retail stores.

We successfully leveraged a combination of organic, e-waste and donation programs to hit the mark. From a corporate perspective, this was a huge win – accomplishing a waste goal set back in 2005.

We actually exceeded the same target in 2009 and reached more than 80 per cent – and have now raised the stakes even higher. The program is expanded with fresh initiatives to help stores and associates meet the more aggressive target of 90 per cent waste diversion by 2014. Early results are right on track to reach that goal.

	occ	96,430,806
	Plastics	1,374,725
	Shredded Paper	1,240,696
	Organic Oil and Rendering	546,149
	Bottles and Cans	132,045
	Misc. Organics	58,809
	Oxidizers	61,813
Diversion	Paint	80,029
(estimates in kg.)	Aerosols	105,505
	Tires	4,533,549
	Motor Oil and Filters	2,845,456
	Batteries and Lead Weights	3,165,289
	Organics	935,163
	Photo	100,897
	Other	15,482,586
	Total	127,093,518

Waterdown Supercentre: Zero waste in no time flat

Seeking to achieve "zero waste" across our network of stores, Walmart Canada is literally searching the trash for breakthroughs.

With the new Waterdown zero waste test store in Ontario, we are ready to lock in on the target. Even during its construction phase, building crews achieved unusually high levels of waste diversion of excess construction materials.

Since its grand opening in September 2009, the Waterdown Supercentre has become our national testing ground to eliminate waste – already moving past 80 per cent with efforts to date. Once systems are refined here, the approach will be replicated in other stores – making this zero waste goal well worth pursuing.

Packaging: Scoring for sustainability

In July 2009 Walmart Canada launched a new Web-based Sustainable Packaging Scorecard to enable suppliers to measure their efforts to reduce packaging.

It's part of Walmart's global commitment to reduce total packaging by 5 per cent by 2013.

The initial challenge was to bring vendor partners on board since they are responsible for manufacturing and packaging. Walmart's solution is collaboration – starting by setting a baseline measurement to determine exactly how much packaging is used today.

The Sustainable Packaging Scorecard allows vendors to do just that. The Scorecard is a Web-based application that works like a virtual measuring stick – vendors input precise measurements for every detail of their packaging to clearly identify opportunities for refinement.

The first-year goal consisted solely of getting vendors to enter measurement data in the Scorecard format. Once the data is collected, Walmart Canada will work directly with vendors to reduce the environmental impact of their packaging and live up to our reduction commitments.

Existing stores: Efficiency makeover

Moving forward sometimes requires taking a giant step back.

Case in point: Walmart Canada has more than 300 existing stores across the country, all of which can potentially be upgraded to maximize energy efficiency.

In 2008 Walmart introduced an extensive three-step process to retrofit its older stores – starting by converting lighting from high to low wattage to save on energy.

2009 signalled the next phase of renewal to recommission the older stores – testing all internal systems to ensure proper working order and then reinstalling technologies for optimal efficiency.

We estimate that overall energy efficiency can be improved by four per cent just by revisiting existing operations within these stores.

Renewable energy: New heights of store efficiency

Four years in the making, Walmart Canada chalked up a key renewable energy goal with the Fall opening of two High Efficiency (HE) Supercentre store prototypes in Waterdown and Oshawa, Ontario.

Working from a baseline set in 2005, the goal was to design and open a store to be 25-30 per cent more energy efficient and produce 30 per cent fewer GHG emissions all this by 2009.

We successfully achieved on both of these targets with the two new supercentres projected to be at least 30–39 per cent more energy efficient than the baseline. Looking to push efficiencies even higher, Walmart is now improving upon the prototype with two new generations of stores currently in global development

Profile: Walmart Canada Supercentre, Burlington, Ontario

The Burlington environmental demonstration store is by far the most advanced to date in terms of energy efficiency – expected to be 60 per cent more efficient than the 2005 baseline (pending second-year full data).

Opened in January 2008, the entire building envelope along with all its systems and processes, offers an ideal testing ground to experiment with emerging technologies in a real-world simulation. We will take key learnings here and roll out best practices and technologies to all next generation Supercentres across the country.

Burlington innovation highlights:

- Ground source geo-thermal system: 15 km of piping under the parking lot provides a renewable source of heat in winter and cooling in summer.
- Radiant slab flooring: Used throughout the sales floor area, it reduces electricity required by fans in standard forced air systems.
- Waste heat reclamation: Waste heat from the refrigeration system is reclaimed to heat the store in winter or be stored in the geo-field in summer.
- CO, Refrigeration: CO,/glycol secondary loop refrigeration reduces the amount of harmful refrigerants by 90 per cent.
- Skylights: We have tested skylights to reduce the energy needed to light the store. However, the savings in electrical energy are offset by the increase in heating costs due to the openings in the roof. The result is a small net saving in energy which has not produced an acceptable return on investment.

Sharing Best Practices: Driving Collaboration

On February 10, 2010 Walmart Canada hosted a summit on sustainability highlighting the very real business case for going green.

More than 350 senior delegates, including Walmart competitors gathered at the Pan Pacific Hotel in downtown Vancouver to collaborate across industry sectors and accelerate the implementation of profitable and environmentally sustainable business practices.

ShareGreen

Launch of ShareGreen.ca

As a legacy to the Green Business Summit, Walmart Canada launched ShareGreen.ca to share best sustainable business practices across the business community. The site contains

a growing collection of more than 80 sustainability case studies from a broad range of organizations including:

- 3M
- A Natural Step
- Alcan Packaging
- · Bell Sports
- Bissell
- Bright Energy Group
- · Brookside Foods
- Bullfrog Power and Arthur's Fresh
- Busby Perkin + Will
- Campbell's
- · Canon Canada
- Coca-Cola
- Day Ross Carbon Footprint
- De. Brand
- Domtar
- Forest Products Association of Canada

- Frito Lay
- · General Mills Canada
- Gibson's Recycling Depot
- Grouse Mountain Resorts Ltd.
- · GSI Canada
- Heinz
- · Hewlett-Packard
- Home Depot
- HP
- · Kimberly Clark
- · Kraft Canada
- · Maple Leaf Foods
- · McCain Foods
- Mountain Equipment Co-op
- Naya Water
- · Nestle Water Canada

- Novex Delivery Solutions
- · Paris Geneve
- · Pepsi Bottling Group
- · Purina Maxx Scoop
- · Robert Bateman Get to Know
- Saputo
- SC Johnson
- Schneider Electric
- Stonyfield Farms
- TetraPak
- The Air Canada Centre
- VersaCold
- · Westport Innovations
- World Wildlife Fund

The promise to live better starts right in our stores



Our nationwide team of 83,000 associates are Walmart Canada's greatest natural resource – valued for their energy, diversity and spirit of engagement. Walmart is committed to help them perform at their best by providing a positive work environment, practical training and real-world opportunities to grow and excel in their lives and careers.

Our vision to become Canada's favourite place to work is grounded in three core beliefs:

- · Respect for the Individual
- Service to our Customers
- Strive for Excellence

Walmart Canada brought these attributes to life in 2009 with a special focus on our role as an Employer of the Community, by creating new opportunities for Canadians and by recognizing individual associates for their outstanding contributions to our business.



Our goals for 2010 and beyond

- Increase female representation in senior management from 31 per cent to 33 per cent
- Continue to provide Canadians with opportunities for employment by creating 4,500 new jobs
- · Launch national Women in Retail program
- Enhance Executive Leadership program
- · Launch New Merchant Academy
- Redesign Field Management Learning program

Associate profile: Viren Ohol

"Like all new immigrants who come to this country who aspire to live and build the Canadian dream, I believe that Walmart has done that for me and my family." Viren Ohol

Within the space of two years, Viren Ohol came to Canada from India and worked his way up from his first job in the country as a part-time sales associate at Walmart Canada to a management position at home office. Seven years later, Viren is now the benefits manager of the people division at Walmart Canada with responsibilities that impact the lives of 83,000 associates across Canada.

Viren arrived in Canada with his family in 2003 as new immigrants. While he had a career as a human resources professional in his native India, like so many others from South Asia – he found it very difficult to find work in his chosen field in Canada.

After applying to over 100 companies and determined to work anywhere he could, Viren was finally offered a job at a Walmart store in Scarborough, where he started as a part-time sales associate. While he enjoyed the experience and the learning, after six months he was ready to give up his dream for a new life and return home to India.

The seeds of success

At that same time, he applied for an opening at the Walmart Canada home office in Mississauga and was amazed by the result. Not only did the company recognize his international education and qualifications, they offered him a job in human resources. Seizing the opportunity, Viren proved his value in a number of increasingly senior positions – finding mentorship and support along the way.

Interestingly, Viren notes strong parallels between his own upbringing in India and the core beliefs of Walmart culture. In both instances, the principles of respect for the individual, the idea of service, and striving for excellence are the foundation upon which everything else is built.

In his work as manager, Viren treats each associate with the respect and dignity they deserve – because he knows personally the reality of what it means to come from a world away and make Canada your home.

Best Host: Enhanced communication for better customer service

In 2008 Walmart Canada piloted Best Host, an internal education program designed to enhance English language and customer service skills for associates.

The program improves our associates' ability to communicate with customers, co-workers and management – with the result of improving customer service, associate engagement and career development opportunities.

The course was delivered in two stores in 2009 with the same positive results as the pilot. We found that associates not only improved their communications skills, they became noticeably more confident both personally and professionally. The course participants were a diverse mix of individuals with the majority speaking English as their second or third language.

Having already seen a strong return on investment in their associates, Walmart Canada plans to roll out the program as needed to markets across Canada starting in 2010.

Group Selection Program: Hiring made comfortable

Looking to improve how we interview and hire potential associates, Walmart Canada piloted the innovative Group Selection program at five stores in 2009.

Normally, Walmart evaluates applicants based on half-hour interviews with store managers but results have proved only average.

The format has proven difficult for people from other cultures and also for applicants unfamiliar with the behavioural interview process.

We modified our approach starting with an online application and multiple-choice assessment followed by a telephone interview. The final stage in the selection process is a group interview. This process is a very useful way of assessing cultural fit and a candidate's ability to deliver helpful and friendly service. It replaces the traditional one-on-one interview with an opportunity for candidates to demonstrate their ability to work together in a team.

Giving applicants the chance to shine

The group dynamic is key and each 1.5-hour session begins with the Walmart cheer. Candidates are then given the opportunity to team up and participate in role-play exercises. The group leaders can observe how they react to customer situations and interact with each other.

The applicants also get to spend time with the store management team – with the opportunity to ask about what it's like to work at Walmart. The whole experience provides good insight into our company culture – helping applicants to better decide if Walmart is for them.

The results look promising: people enjoy the experience and feel the employers got to know them. In all five test stores, Walmart is seeing a marked drop in attrition rates, and an increase in customer service satisfaction levels. All made possible by selecting the right candidate for the right position.

Based on this positive outcome, Walmart Canada is expanding the online application process and Group Selection program to become the new standard for interviewing prospective associates.

Stores of Learning: A foundation for advancement

Increasing numbers of Walmart Canada associates are taking the opportunity to train for managerial positions.

More stores are opening up their own full-line grocery departments with a corresponding need for managers to run the new departments.

We encourage associates to upgrade their skills by taking assistant management training programs held at the Walmart Canada Stores of Learning, which are special classrooms set inside our stores.

FYI: Associates and benefits

When our associates succeed, so does our business. Walmart Canada continues to strive to find new opportunities for associates to grow. Through better job and career opportunities, innovative reward programs and personal benefits and support services, our associates can live better at work and home.

FYI: Associates

- 83.000 + associates from coast to coast
- 6,600 associates promoted in 2009
- Over 5,300 associates received operational and leadership training
- 47.4 per cent of managers and 29.9 per cent senior managers are women

FYI: Benefits

	Full-Time Associates	Part-Time Associates
Competitive Wages	Х	Х
Associate Discount (10%)	Х	Х
Associate Stock-Ownership Plan	Х	Х
"Shining Star" Recognition	Х	Х
Deferred Profit-Sharing Plan (100% funded by Walmart)	Х	Х
Stakeholder Program (bonus based on store performance)	Х	X
Group RRSP	Х	Х
Medical Coverage	Х	
Dental Insurance	Х	
Life Insurance	x	
Accidental Death & Dismemberment Insurance	Х	
Long-Term Disability Coverage	Х	
Resources for Living (professional life counseling service)	Х	Х
Personal Time (paid absence)	Х	
Illness Protection Plan	X	
Leaves of Absence (including medical, personal and educational)	Х	Х
Bereavement Leave	Х	Х
Career Advancement Opportunities	Х	Х
Scholarship Programs	Х	Х
Education Reimbursement	Х	
Group Auto and Home Insurance	X	Х

Women in Retail: Making voices heard

"Women at Walmart Canada form an immense and talented group of leaders and future leaders we must nurture to meet our growing talent needs. By supporting diversity at all levels, we are promoting a vibrant mix of perspectives, attitudes and approaches, which ultimately leads to a better business." Chantal Glennisson, Senior Vice President Operations, Walmart Quebec and Atlantic Provinces

In 2008 Walmart Canada introduced Women in Leadership (WIL) to provide a network for senior high potential women at Walmart Canada – benefiting both the company and the individuals themselves.

Building on this model, Walmart Canada firmed up plans in 2009 to broaden the program to include women working in field management roles. Launching in 2010, this new group, Women in Retail (WIR) will be made up of female district managers, female store managers and high potential assistant managers. The mission of WIR is to support the advancement of women in field management positions and provide networking, education and development resources for members.

Women in Retail will gather regularly as a group to encourage personal and professional growth and to discuss issues facing women in the workplace generally and Walmart Canada in particular.

Women on the rise at Walmart Canada

	2007	2008	2009
Percentage of managers who are women	45.9	45.6	47.4
Percentage of senior managers who are women	26.1	26	29.9

Spotlight on Associates: Shining Stars

The Shining Star Program recognizes and rewards individual associates for exceptional job performance – all the way from their local store to the national stage.

The program shines a light on associates who go above and beyond to deliver on Walmart's corporate beliefs and values in their work and community.

Recognition starts at store level where associates can nominate deserving candidates to be a Shining Star recognized by the whole store. From this group, the store selects their Shining Star of the Month. Every year, stores nominate one Star associate from the previous 12 months to be entered for regional, district and then provincial honours.



All ten provincial winners plus the Star associate from home office are brought to Toronto to attend the annual Walmart Canada Awards Gala. During their stay, the Shining Star nominees tour the city, share a meal with President and CEO David Cheesewright and get to join senior management for the Year Beginning Meeting (YBM).

The Cultural World Fair: Celebrating diversity

Speaking an astonishing 72 different languages, our associates come from every corner of the globe.

In our role as an Employer of the Community, we created a special day to celebrate this rich diversity with the first ever Cultural World Fair held on April 3rd, 2009 at our Home Office in Mississauga, Ontario.

Cultural World Fair is a celebration of the diversity represented in our Home Office and an opportunity to empower our associates to showcase their creativity and leadership ability. Twenty countries were represented in the 2009 event and over 80 associates volunteered – many wearing the traditional dress of their homeland. Walmart Canada's Chief Operations Officer Jim Thompson described the fair as "the best engagement building event ever".

The corporate auditorium was transformed with beautiful and informative Country Pavilions or booths. Each Pavilion was uniquely decorated with traditional clothes, artifacts and artwork. The India booth offered our female associates intricate henna designs on their hands and ankles. At the China Pavilion, associates could find out what year of the zodiac they belonged to and have their name written in Chinese characters. Our Italian associates had a Porsche and Ferrari on site to represent their passion for automobile engineering and design.

The group also experienced two and a half hours of cultural entertainment and presentations including:

- Tinkling Dancers from the Philippines
- · Bhangra Dancers from India
- Kung Fu performance from China
- Steel Band and Limbo dancers from the Caribbean

Walmart Canada: Top 10 corporate culture



Walmart Canada ranked one of Canada's 10 Most Admired Corporate Cultures of 2009.

Our company was named one of Canada's 10 Most Admired Corporate Cultures of 2009 by Waterstone Human Capital Inc. Walmart Canada is the largest employer and the only grocery and general merchandise retailer on the list.

David Cheesewright, President and CEO responded by saying "This honour belongs to our associates. Our culture thrives because our 83,000 Walmart Canada associates live our values every day, with each other and with our customers."

The selection process took close to six months, polling over 200 senior Canadian executives in the process. 71 finalists were selected from 400 candidate companies and Waterstone's Board of Directors selected the 10 most admired corporate cultures.

Marty Parker, Waterstone's Managing Director commented on our selection, "Walmart Canada hires for fit and trains for skill – as an organization, they are completely aligned. Combined with their culture of recognition, an engrained corporate social responsibility strategy and their stellar performance, they are a clear winner for 2009."

Empowering Associates: Respecting their voices and rights

Walmart Canada promotes an open work environment where associates are encouraged to voice their opinions and and exercise their rights.

Open Door Policy

It is critical to keep the lines of communication open with our associates. Their feedback helps to grow and improve our business. Our Open Door Policy encourages associates to voice concerns and share ideas with any of their managers or other members of their management team.

The Open Door extends around the world with a toll-free global ethics hotline. This 24-hour anonymous line allows associates and the associates of our suppliers to report any ethics violation. Leaving this door open gives us a better understanding of the needs, concerns and challenges our associates, suppliers and customers face every day. In turn, we can respond in a way that addresses their needs and further reinforces a positive workforce.

Valuing associate opinions

We work to ensure that Walmart associates have a strong voice at work. Beyond our Open Door Policy, associates participate in grassroots meetings throughout the year where they bring forward questions, ideas and concerns to their management team for discussion. In addition, Tell Dave is a program that encourages associates to submit their ideas directly to our president and CEO, David Cheesewright.

Every year, Walmart Canada conducts its Annual Associate Opinion Survey which provides every associate a chance to voice their ideas, opinions, and concerns. On a national level, the results provide valuable feedback for general associate satisfaction, new direction for corporate programs, and they help identify areas that need improvement. On a local level, each store provides feedback about its own working environment. Once the survey results are in, store managers and associates hold an open forum to discuss the results and brainstorm for new ideas and initiatives for the year ahead.

Associate satisfaction and unions

Walmart Canada believes in providing associates with a work environment based on respect, dignity and a true partnership in the business. We foster an environment that welcomes the identification of challenges or problems and a mutual resolution of those challenges.

As a company, we value our associates' right to communicate any and all concerns they have directly to their supervisor, who must quickly work to a fair and proper resolution. Our culture of open communication is important to meeting our associates' needs. The key to preserving the climate in which we conduct our business is to always uphold the beliefs upon which Walmart was founded.

Walmart Canada also supports and respects our associates' right to exercise freedom of association, including the decision to join or not to join a union. Associates have the legal right to make such choices, free from intimidation, coercion or undue influence from anyone.

Responsible Sourcing

Striving towards a higher standard



Walmart Canada sources all the merchandise that it sells – from either Canadian suppliers or by importing the goods directly from over 71 countries around the world. Our constant focus is to source our products ethically:

- · ensuring that suppliers maintain high standards in their factories
- · improving factory conditions for workers
- encouraging suppliers to manufacture products in an environmentally sustainable way
- building community support with NGOs on the ground

In a year where Walmart Canada met or exceeded all its stated goals, 2009 also marks a year where we managed issues proactively:

- by collaborating with other major retailers and brands
- working with suppliers and their factories to improve standards and compliance
- migrating a share of the auditing process to third-party representation



Our goals for 2010 and beyond

- Provide Orange School Plus and supplier development training for selected import and domestic suppliers/factories
- Achieve per cent direct import production shipped from green/yellow factories
- Implement environmental standards into the auditing process
- Participate in audit collaboration with other brands and retailers. (GSCP, FFCH, ILO. ICTI)
- Partner with suppliers to improve energy efficiency by 20 per cent per unit of production by 2012 in the top 200 factories in China (direct imports/2007 baseline)

Solving problems at the root

Walmart Canada is now working proactively with strategic suppliers to help raise standards and practices through our Supplier Development Program (SDP). We are the first global retailer to launch this kind of program on such a massive scale.

Walmart's new approach is to work directly with suppliers to identify the root causes of violations. Supplier Development Specialists then work with the suppliers to strengthen management systems and improve how the factories are being run.

The initial steps for the program have been to develop the framework and guidelines, which are now in place. Walmart also worked with the Verité Group in 2009 to design and execute cutting-edge training for our newly-created Supplier Development Specialists.

Program fundamentals:

- Within the new supplier development model, when a strategic supplier selected by merchandising receives an orange audit assessment, we begin an evaluation and training process to help that supplier and factory understand any issues they may be experiencing and help them define solutions to those issues
- Our Supplier Development Specialists are present on site with the suppliers in their factories spending three days at a time, over a period of up to ten months. Their role is to identify problems in the supplier's management systems whether that is in Human Resources, Environmental Management or Health and Safety systems, etc. and develop a workable solution
- Importantly, the Program also includes Orange School Plus which deals specifically with Orange-rated factories to assist them to Green and Yellow

Meeting and exceeding our 2009 goals

At a time when responsible sourcing remains a top priority for global brands and retailers, Walmart Canada can report major headway on a number of fronts.

The proof is in our actions as we managed to achieve or surpass every one of the following key goals for 2009 set forward in last year's report:

- 100 per cent disclosure and auditing for all direct import merchandise
- 100 per cent disclosure of private label and non-branded merchandise
- Exceeded our goal to achieve 90 per cent of total volume from green/yellow factories for direct import
- 110 supplier factories reported greater than 5 per cent improvement in energy efficiency in response to our 2009 global initiative

2009: Change at the source

In a year of massive change, Walmart Canada took sweeping action across a range of initiatives to make our global sourcing practices more effective and impactful.

Consolidating the factory audit process:

- Partnering with other major brands and retailers to establish a common set of standards for audits through the Global Social Compliance Program (GSCP)
- All direct import factories must undergo the full audit process to pre-qualify

Innovating the Supplier Development Program

 Rather than rely on the auditing process, Walmart's new strategy is to also tackle problems at the root – shifting resources to work directly with suppliers on site in their factories to improve working and environmental conditions

Factory disclosures for selected retail markets

 Any Canadian, American or United Kingdom vendor supplying a private brand or non-branded label must disclose all their facilities and factories to us. In 2010, Walmart rolls out this policy to all world markets

Training buyers in responsible sourcing

Walmart is taking extra measures to ensure our buyers are informed on responsible sourcing practices –
helping them to better manage their supplier relationships and ensure that responsible sourcing is a routine
part of their buying workflow

Building a better audit

In recent years, many global brands and retailers have grown to question the effectiveness of the audit process to improve the standards of suppliers and their factories.

Different companies use varying standards of assessment for their audits, often for the same suppliers on consecutive days. The net result is that suppliers battle audit fatigue and duplication.

Global problem. Global solution.

Now major brands and retailers are working together to find a global cross-industry platform to surmount these challenges. In 2009 Walmart helped to drive the landmark Global Social Compliance Program (GSCP).

The program partners represent some of the world's leading brands and retailers including: Tesco, Carrefour, Chiquita, Ikea, Hasbro, Hewlett Packard, Migros and Walmart.

The GSCP vision is to harmonize existing efforts to deliver a shared, consistent and global approach for the continuous improvement of working conditions in global supply chains.

While many steps are needed to advance such a complex initiative, in 2009 the GSCP successfully drafted a common audit protocol.

Improving audit procedure.

Walmart is continually looking for new ways to refine the audit process. Changes in the process can make a difference in effectiveness: For 2009, our third-party representatives scheduled the first audit but after that they may show up unannounced at the factory at any point in time and must be let in.

With global plans to bring sustainability into focus, Walmart is laying the groundwork by informing suppliers that environmental standards will be included in future audit assessments.

Responsible outsourcing: Third party audits

Complementing our strategic shift to work more proactively with suppliers, Walmart Canada is also partnering with the following organizations to conduct robust audits on our behalf:

- Walmart contributed half a million dollars in 2009 to support its partnership with the ILO (International Labour Organization) and the IFC (International Finance Corporation) Better Work independent audit and capacity building program. Currently operating in developing countries like Cambodia, Vietnam, Haiti and Jordan, the program widens its frontiers in 2010 to include Indonesia and Lesotho
- The International Council of Toy Industries (ICTI) is the governing body that manages all the auditing for toy industry production worldwide. Suppliers must go through their program to be certified for Walmart and other retailers

Walmart: At work in the global community

In 2009 Walmart Canada continued its work with the International Giving Development Program to fund local non-governmental organizations (NGOs).

We are helping them to operate schools, health clinics and training centres in communities around the world. This program is designed to promote economic empowerment for vulnerable populations, particularly women, factory workers and their families.

These projects are conducted in alignment with the United Nations Millennium Development Goals, which focuses specifically on the empowerment of women, education, and HIV/AIDS education.

Current projects:

Cashew Value Chain Initiative - India

This project marks the first of a series of initiatives to elevate women from poverty worldwide. The goal of this initiative is to help women create collective groups and establish profitable cashew processing mills aimed at increasing household income. Moreover, literacy and numeric skills training as well as awareness on health issues and entitlements is empowering women to perform livelihood activities more effectively and improve their quality of life.

Inclusive Economic Development Initiative – Peru

This project aims to raise the income of women and men through the development of more productive value chains in artichoke, white corn, avocado, and fresh vegetables (lettuce, spinach, and carrots). In addition, the project seeks to promote market-based approaches that target small farmers while addressing issues related to illiteracy, women's empowerment, and girls' education.

Factory Initiative - Bangladesh

The overall goal of this initiative is to improve the economic and social security of female factory workers in Bangladesh's ready-made garment sector. This goal will be achieved through the development of a worker-owned and guided intervention that improves the quality of life for female garment workers and people in the community. It is anticipated that factory management will recognize that workplace productivity ultimately improves as a direct result of this project.

Hope Worldwide: Industrial Centres of Hope – India, Kenya, Bangladesh

Hope Worldwide and Walmart have been collaborating since 2007 to establish Industrial Centres of Hope in India, Kenya, and Bangladesh. Located in industrial areas, these centres provide educational and vocational training programs to factory workers and their families as well as other members of the community. These centres also provide a variety of services ranging from HIV/AIDS programs and counselling in factories to school feeding programs. All in all, these programs are helping thousands of people each year to reach their potential.

The Asia Foundation: Migrant Worker Scholarships – China

In its effort to improve the lives of migrant workers in China, Walmart awarded a three-year grant to The Asia Foundation (TAF). The purpose of this grant is to support the Scholarship Program for Chinese Women Factory Workers. Through this grant, migrant women factory workers in Guangdong province receive vocational training in fields such as: accounting, electronics, preschool education, administrative assistant, computer management, hotel management, and logistics management.

Mobility International USA (MIUSA): Employment Strategies, Building Disability and Leadership Skills Program – Latin America and Asia

Mobility International USA (MIUSA), with the support of Walmart, implemented a series of international exchange programs focused on promoting employment for people with disabilities in Latin America and Asia. More specifically, the grant supports three MIUSA signature programs: the International Leadership, Employment and Disability (I-LEAD); the International Women's Institute on Leadership and Disability (WILD); the International Leadership, Employment and Disability (I-LEAD) Professional.

Alliance between USAID, Walmart, Fundación Ágil and Mercy Corps: Inclusive Market Alliance for Rural Entrepreneurs (IMARE) - Guatemala

The IMARE Alliance brings together Mercy Corps, Fundación AGIL, USAID, and Walmart to build an expanded and diversified rural economy in Guatemala that promotes the growth of the entrepreneurial agricultural sector among underserved populations. Specifically, the Alliance seeks to bolster the competitiveness, productivity, and incomes of disadvantaged small and medium-sized farmers in Guatemala.

Alliance between USAID, Walmart, and TransFair USA: Responsible Sourcing Partnership Program – Brazil

The Responsible Sourcing Partnership Project is producing life-changing increases in income for small coffee producers in Brazil. Indeed, this project will raise the income for thousands of small coffee producers in the states of Minas Geris, Espirito Santo, and Sao Paulo by expanding and improving the quality of supply, increasing producer capacity, and building the capacity of the Brazilian coffee market.

Apparel Lesotho Alliance to Fight AIDS (ALAFA)

ALAFA works exclusively with the textile and apparel industry in Lesotho, where 85% of the workers are women. The project focuses on reducing the impact of HIV/AIDS on the factory workers and their families through prevention and treatment programs.

Sowers Action: School Rebuilding - China

This is a three-year project aimed at rebuilding two schools in the Gansu province that were damaged by the 2008 earthquake in China. In addition, the project will seek to enrich the learning experience of the students by improving the teaching materials and equipment. This project is a joint venture between Walmart and the Walmart responsible sourcing associates.

The Citizens Foundation: Education – Pakistan

Walmart and its responsible sourcing associates awarded a grant to The Citizens Foundation to fund a secondary school in Pakistan. The associates are committed to remain involved and raise money for a period of three years.

Walmart ranks third highest ethical reputation worldwide

The 2009 Covalence Retail Industry Report* ranks Walmart to have the third highest ethical reputation in its annual index of 35 multinational companies in the retail industry.

Walmart's reputation leapt from last place in the 2007 ranking all the way up to 3rd place in 2008 and 2009. The report is considered a barometer of how multinational companies are viewed in the ethical field.

* Covalence tracks the ethical reputation of multinationals by sourcing online information. The EthicalQuote is part of the Covalence Ethical Ranking. The ranking combines the EthicalQuote (measure of popularity) and the scores calculated in each criteria group(measure of diversified performance).

Obeying the lights: Walmart's auditing and factory ratings system

Walmart conducts factory audits either directly or via third-party representatives to ensure the merchandise we sell is sourced responsibly.

We use a colour-coded system to assess the findings and decide on next steps following the completion of the audit.

Colour-Coded Audit Ratings

Green Mir Re-Yellow Me Re-

Orange

Minor Violations
Re-audit in 2 years

Medium Risk Violations Re-audit in 1 year

High-Risk Violations Re-audit in 6 months

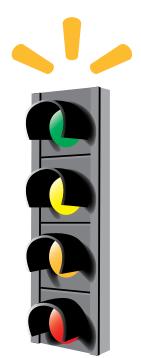
Note: Factories that receive those Orange ratings in a 2 year period are Red-disapproved for 1 year.



Most Serious Violations

(underage labour, forced/prison labour, corporal punishment, life-threatening working conditions, transshipment)

No Future Business



Walmart's Standards for Suppliers:

Walmart requires its suppliers and their contractors to meet our Standards for Suppliers.

We reserve the right to make periodic, unannounced inspections of the facilities of our suppliers and their contractors to ensure compliance with these standards.

Compliance with Applicable Laws and Practices: Suppliers shall comply with all local and national laws and regulations of the jurisdictions ir

Standards for Suppliers

Standards for Suppliers ("Standards") are Walmart's fundamental expectations from its suppliers regarding their activities in relation to the workers producing merchandise for sale by Walmart and the impact of their manufacturing practices on the environment. Additionally, suppliers must comply with Walmart's Gift and Gratuity and Conflicts of Interest Policies and conduct their business in an ethical manner and consistent with accepted accounting principles.

Standards

1. Compliance with Laws

Suppliers and their designated manufacturing facilities ("Suppliers") must fully comply with all applicable national and/or local laws and regulations, including but not limited to those related to labor, immigration, health and safety, and the environment.

2. Voluntary Labor

All labor must be voluntary. Child, forced, bonded, prison, or indentured labor will not be tolerated. Workers must be allowed to maintain control over their identity documents. Suppliers must provide workers with rest days and must ensure the working hours are consistent with local regulations and not excessive.

3. Hiring and Employment Practices

Suppliers must implement hiring practices that accurately verify workers' legal right to work in the country and age prior to employment. All terms and conditions of employment including, but not limited to, hiring, pay, promotion, termination, and retirement must be based on an individual's ability and willingness to do the job.

4. Compensation

Suppliers must compensate all workers with wages, overtime premiums, and benefits that meet or exceed local legal standards, local industry standards, or collective agreements, whichever are higher. Suppliers are encouraged to provide wages and benefits that are sufficient to meet workers' basic needs and provide some discretionary income for workers and their families.

5. Freedom of Association and Collective Bargaining

Suppliers must respect the right of workers to choose whether to lawfully and peacefully form or join trade unions of their choosing and to bargain collectively.

6. Health and Safety

Suppliers must provide workers with a safe and healthy work environment and, where applicable, safe and healthy residential facilities. Suppliers must take proactive measures to prevent workplace hazards.

7. Environment

Suppliers must ensure every manufacturing facility complies with national and local environmental laws, including all laws related to air emissions, water discharges, toxic substances and hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

8. Gifts and Entertainment

Suppliers must not offer gifts or entertainment to Walmart associates.

9. Conflicts of Interest

Suppliers must not enter into transactions with Walmart associates that create a conflict of interest.

10. Anti-Corruption

Suppliers must not tolerate, permit, or engage in bribery, corruption, or unethical practices whether in dealings with public officials or individuals in the private sector.

11. Financial Integrity

Suppliers must keep accurate records of all matters related to their business with Walmart in accordance with standard accounting practices such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS).

Reporting Violations

Violations of Walmart Standards can be reported confidentially in a local language. If you have knowledge that any of these standards are being violated, you are encouraged to report the issue. Contact methods are listed below.

- Email: ethics@wal-mart.com
- World Wide Web: www.walmartethics.com
- Phone: 1-800-963-8442



Community Investment

Growing stronger with Canada for 15 years



The year 2009 holds special significance for Walmart Canada as we mark our 15th anniversary in Canada. This milestone gives us the privilege to celebrate our progress so far and the perspective to reflect upon the scale of our impact.

Starting with 123 stores in 1994, Walmart Canada now operates 317 stores in a diversity of communities across the country. While our company continues to grow, our approach to investing in each community remains the same: we seek to develop and sustain positive partnerships by investing, hiring, operating and contributing on both the local and national level.

The numbers tell the bigger story of Walmart Canada's impact over the past 15 years:

- growing from 16,000 to 83,000 associates
- · becoming the 3rd largest employer in Canada
- averaging one million customers every day in Canada in 2009
- raising and contributing more than \$115 million towards Canadian charities and non-profit organizations

15-years on the rise at Walmart Canada

Year	First Year End	5th Anniversary	10th Anniversary	15th Anniversary
	1994	1999	2004	2009
Associates	25,139	38,751	65,432	83,000
Stores	123	166	262	313



Our goals for 2010 and beyond

Investment

- 40 construction/remodel projects planned for 2010
- Expand multicultural food assortment in Store of the Community (SOTC) program

Store of the community: Walmart Canada goes local

The Store of the Community (SOTC) program enables each Walmart Canada store to better serve its particular community through combination of targeted merchandising, cross-cultural marketing, store design, and local engagement.

The roots of this national program trace back to Walmart founder, Sam Walton who strongly believed that a store should reflect the community it serves. He made it a point to stock merchandise that reflected the local population and to participate in community life by supporting local individuals, causes and traditions.

In that same spirit, Walmart Canada launched its SOTC program in 2007 to more effectively reach Canada's diverse urban, rural and ethnic markets and communities. The strategy is proving to be as relevant and successful in the modern retail environment as it was nearly half a century ago.

Looking at its national core business, Walmart Canada realized that retail opportunities were being missed – whether in cottage country or in urban centres with shifting populations in terms of ethnicity and diversity. The company created SOTC to address these gaps, and connect each store more closely to its community:

- by offering a merchandising mix that reflects local needs, cultures and preferences
- hiring associates locally
- · customizing store designs and in-store layouts to fit specific communities
- interacting with the community to promote positive engagement

Better retail through research

From the standpoint of merchandising, the first step was to learn more about the customers and the many kinds of communities where Walmart Canada has its stores. The SOTC program started up with a small team of data miners that used analytical research tools to study consumer purchase behaviour, demographic profiles and attitudes. The team also made sure to get out into the communities to learn what customers were buying at their local stores – a key to understanding preferences in Canada's urban

On the strength of that learning, the SOTC team partnered with the core buyers who purchase for all stores across Canada. The SOTC team came in to recommend new product entries across the board for general merchandise, apparel and food. They made a special effort to assemble families of related products (called modulars) and group them together at shelf level for maximum impact with local customers.

SOTC in action: Connecting with the Asian community

The Demographics in Canada are undergoing massive changes. For example, trend researchers forecast that by 2017, 10 per cent of the Canadian population will be Asian (predominantly Chinese and South Asian) and growing fast.

The SOTC team estimated that the Asian market might one day represent about \$10 billion a year respectively for each major group. Seeing its enormous future potential, the team made a test case to spice up their product mix by focusing in on the Chinese community close to the store in Markham, Ontario.

The SOTC team started with primary research – shopping at every kind of small store in the area and working their way up to the supermarkets. They were on the lookout for Chinese products that provided a feeling of home – things like utensils, soup pots, and steamers. They got the program rolling by introducing Chinese newspapers into the Markham store and began to trial unique merchandise for that store, starting with kitchen items like three-tier quality steamers. After seeing a spike in sales for the steamers, they assembled an in-store section on the shelf that featured a variety of Chinese kitchen tools like spatulas, steamers, knives, sharpening tools, and mini-cleavers. This approach quickly proved successful – spreading from kitchenware into Chinese greeting cards and to a more robust assortment of Chinese products in the grocery section.

The team is currently working with the Walmart food team to enhance the dry grocery portion of the food mix to carry familiar Asian brands of sauces and snacks - targeting 30 stores across the country with high Asian demographics.

Serving cottage country

The SOTC team also looks at the regional differences between urban and rural markets to uncover new opportunities for targeted merchandising.

For example, in Ontario's cottage country and northern towns, they saw how customers purchase certain seasonal outdoor products like axes and chainsaws. The SOTC team developed a program with the core buyer to carry both products in up to 36 rural stores. This approach would not work on a national level – but it is highly effective on a selective regional basis. With each new season, they refine the merchandising mix for these rural stores with new product entries like log splitters to keep building business with this customer base.

In another instance in cottage country, a local health and wellness department manager saw that some cottage customers were critical because their Walmart store did not stock enough environmentally-friendly products like body wash, shampoos or deodorants. Preferring to avoid polluting local lakes or their septic, the cottagers wanted alternatives that were responsible and phosphate-free. The SOTC team responded by bringing in the Live Clean program across cottage country and sales went through the roof. In part based on that success, Live Clean is now being carried in all stores across the country.

Canada: Land of retail opportunities

The SOTC program continues to prove its value at store level by making Walmart Canada better able to respond to its many kinds of customers and communities. It is now refined to the point where the SOTC can help guide buying decisions based on anticipating shifts in demographics.

This often requires recommending new products but it can also mean finding hidden nuggets of opportunity among the thousands of brand-name products that Walmart already carries. For example, the SOTC team discovered that familiar brand, Pond's Cold Cream sold particularly well within the Asian community. By elevating the product to a featured position in certain clusters of stores, they more than quintupled sales of the product. They can leverage these kinds of opportunities in tandem with features and rollbacks to test other potential nuggets.

SOTC: 2009 Highlights

A primary focus of the program is to serve the lifestyle, business and multi-ethnic needs of the local community. Here is an overview of some of the special events organized by SOTC over the past year:

- Mooncake festivals in September and successful Chinese New Year celebrations for approximately 36 stores in the Chinese and Southeast Asian communities
- Diwali celebration and promotion celebrated mainly by Hindus, Sikhs and Jains in the South Asian store cluster of around 34 stores
- Successful cottage season in the cottage store group cluster of approximately 49 stores
- Popular Winemaking Roadshow in our Italian and Portuguese cluster in and around six stores in central Ontario

Building commitment: Investing through the recession

Walmart continued to invest in Canada right through the recession to become one of the fastest growing retailers in 2009.

Amidst the global economic downturn, Walmart Canada kept steadily increasing its investment in Canada – directing hundreds of millions of dollars towards building supercentres and expanding and converting existing stores. In total, we succeeded in completing 28 projects in 2009 – with 40 new projects planned for 2010.

We created thousands of jobs in the process by tendering construction contracts to Canadian contractors, which resulted in an average of 200 new trade and construction jobs per project. In tough times, Walmart continues to be a major contributor to the Canadian economy with a strong mandate to grow that commitment into the future.

Walmart Canada Projects completed in 2009:

New Supercentres: 5
Relocations as Supercentres: 2
Expansions to Supercentres: 16
Remodeled to Supercentres: 5
Total Projects Completed: 28

• Square footage increased by 1,565,474 to 40,302,491 sq. ft. (at end of January 31, 2010)

Walmart Canada Projects – Plans for 2010:

- Projected number of projects for 2010 = 40
- Projected increase in square footage (Approximately) 1,500,000 sq. ft.

Lower prices: Helping Canadians save in 2009

Walmart Canada responded to the tough economic conditions of 2009 by offering customers an average of 13,000 rollbacks every month of the year – an increase of 1.91 per cent from 2008.

Marking our 15th anniversary in 2009, Walmart Canada continues to deliver on its mandate to bring the best possible prices to our customers. Indeed, the economic uncertainty of the past few years has only deepened our core commitment to Everyday Low Prices. By saving money on their essential shopping needs, we believe that our Canadian customers will truly enjoy the savings to live better.

Remodel stores: Thinking smaller for greater efficiency

In 2009 Walmart Canada began to remodel existing stores to create smaller footprints and greater efficiencies for merchandising, sustainability, customers and profit.

The current reality is that we are seeing the benefits of thinking small: Last year, we introduced a program to retrofit existing stores to half the size of a supercentre (approximately 120,000 sq. ft. vs. 215,000 sq. ft. per store.)

The movement to a smaller footprint fits in perfectly with our sustainability vision to maximize both efficiencies and profit picture – in keeping with the classic Walmart business model.

Reuse. Remodel. Refresh.

The *remodel* store also provides an ideal opportunity to refresh both the merchandising mix and our store experience. The new store design combines general discount merchandise with new Fresh Market grocery departments. The goal is to optimize space and business efficiencies by introducing higher volume departments like groceries and cut less profitable lines.

We also envision the Fresh Market concept will improve and diversify the overall shopping experience and build more repeat business by becoming a regular grocery destination for customers.

The remodel stores also affect our impact on the communities where we do business:

- · A reduced emphasis on building bigger stores
- Saving on the materials-intensive construction process
- Expending less energy, reusing space and producing less waste
- Introducing our grocery business to a receptive public

Gauging the Walmart effect: Campbell River B.C.

When a Walmart Canada store comes to town, it can stir up both controversy and the local economy.

The common perception is that when big box stores like Walmart move into the community, local merchants suffer which in turn hurts the local economy. The reality is often quite different. Many studies conclude that there is actually a "net positive effect" created by Walmart's presence in the community.

Interestingly our most powerful advocates are frequently local business and community leaders – who are arguably in the best position to know what's right for their community.

The following is an excerpt from the annual President's Message written by Andy Leitch, the Board President for the Campbell River Chamber of Commerce in British Columbia.

President's Message Courier-Islander

February 24, 2010

Our Chamber recently undertook a poll to other Chambers in communities who have a Walmart and in particular a Walmart supercentre to identify overall levels of business impacts in their communities from Walmart's presence. From the responses we received to date, those Chambers felt that the impact was very positive overall and that those local businesses who responded by raising the bar in terms of delivering exceptional customer service, niche marketing and products have not been greatly impacted. They also mentioned that none of their enterprises closed because of Walmart, but more likely due to the economy.

The Chamber offered a workshop last year for our members to address having big box enterprises coming to our community and provided positive, hands on and tangible actions to ensure those businesses were well positioned for the consumer's response to these new retail outlets. Our members who participated in those workshops came away with clear action plans for implementation.

Our Chamber recently met with the new Campbell River Manager, David Hunt and we look forward to welcoming Walmart to our ommunity when they open in June. We see Walmart's presence as having potential to attract residents from further North Island to Campbell River and in turn, keeping them in our community longer to shop, eat and buy local Campbell River products and services.

Andy Leitch

Board President, Campbell River Chamber

Fresh to market: Sourcing directly from local suppliers

Walmart Canada's fresh produce grocery business is growing by delivering high-quality fresh produce through our low-cost supply chain.

While Walmart has sold fresh produce for the past four years, we started to refine our methods in early 2009 to bring food to market with greater speed and efficiency. We now run our food business using a hybrid system that combines some of the best current grocery industry practices from North America and the United Kingdom.

The core principle is to deal directly with the agricultural producers. We insist on dealing with best-in-class agricultural producers and will continue to develop a roster of suppliers on a region-by-region basis. We are focused on tightening every link in the supply chain to make the process as efficient, sustainable and cost-effective as possible.

The details are key. Our focus is produce supplied by a better-built delivery system than our competitors. Our Perishable Distribution Centres (PDCs) are set up to ship all fresh produce in and out within a 12-hour cycle with rigorous quality control on site. We have everything in place to get freshness into the hands of our customers faster – supported by our efforts at the retail level.

Local means quality

Walmart Canada is careful to pick quality local suppliers – treating each region and province on its own unique terms. Sourcing locally allows us to not only cultivate solid partnerships with suppliers but to share efficiencies and cut costs.

Ultimately our sourcing network spans everything from local growers and Canadian greenhouse operations to suppliers in the US, Mexico and throughout the world. This breadth of supply assures we can provide customers with year-round quality and selection.

Our domestic buying programs vary widely by region. For example in Ontario, we enjoy direct relationships with many local producers providing an extensive selection of seasonal fruits and vegetables. We deal with every kind of producer all the way from family farms and orchards to larger co-operatives. We also support government-sponsored marketing organizations like Foodland Ontario.

Quebec is an incredible resource for agriculture with a long growing season for field crops, rich soil and plenty of sunlight. We source outstanding quality vegetables from various regions of the province.

It's all part of Walmart Canada's strategy to go to the producers directly so that our customers can save money and eat better.

ACHAT-QUÉBEC: Boosting local supply and demand



Walmart Canada's Achat-Quebec (Buy Quebec) program enables it to meet and build customer demand for locally sourced products.

Launched in 2006, Achat-Quebec is an initiative that inspires interaction between Walmart, its customers and suppliers in the province. The program enables Quebec customers to easily find local products at Walmart with the help of Acheté au Quebec product tags and in-store signage. At the same time, local suppliers benefit from associated promotional campaigns that stimulate demand for their products.

Our guiding principle for selecting Acheté au Quebec products is that their purchase clearly generates a return for the local economy. We support the program through targeted promotions like our Supplier of the Month campaigns that showcase Quebec-based

suppliers in all 54 Quebec stores. Local sourcing also helps Walmart to meet its sustainability objectives while reducing transportation costs. Last year, Walmart Canada purchased close to two billion dollars worth of products and services from suppliers in the province.



Community Involvement

Helping the communities that drive our success



Walmart Canada strengthens its ties to the community by supporting a diversity of organizations and charities. We contribute particularly to programs that help families advance in the areas of healthcare, education and safety. The vast majority of our work is local in nature with even our national programs aligned with local causes.

In the global economic downturn of 2009, we managed to donate and raise more than \$25.5 million to our Canadian charity partners and non-profits – marking a 13.3 per cent increase from 2008. These corporate programs draw strength from our thousands of associate who devote both time and energy to our causes.

In 2009 we moved to refocus the breadth of our activities in community involvement. We streamlined existing programs to increase the impact for each core cause and further enhance the local nature of our work within the community.



Our goals for 2010 and beyond

Involvement

- Expand apparel and dry food donation program
- Scope fresh food donation program
- Target \$8 million in corporate donations

2009 Review: National and Community Partnerships

Knowing the importance of building our place in the community, Walmart Canada contributed an average of \$490,000 every week of 2009 as the leading corporate sponsor for four national programs and in support of more than 2000 other community-directed charity grants.

	Charity / Event	2009 Total Contribution
Children's Health, Education and Safety	Children's Miracle Network \$ 9,100,000.00	
	Breakfast Clubs of Canada	\$ 3,000,000.00
	RCMP Foundation	\$ 445,000.00
	Scholarship/Education Programs	\$ 372,000.00
Disaster Relief	Canadian Red Cross	\$ 2,800,000.00
	Haiti Earthquake Fund	\$ 2,600,000.00
Community Greening and Environmental Education	Evergreen	\$ 760,000.00
Additional Support	Local Matching Grants	\$ 3,700,000.00
	Juno Beach Centre	\$ 860,000.00
	Other Initiatives	\$ 1,867,000.00
	Total	\$25,500,000.00

2009 Total Contributions
Raised through fundraising \$17.8 million
Donated by Walmart Canada \$ 7.7 million
Total \$25.5 million

National Programs:

Children's Miracle Network

Walmart Canada contributed \$9.1 million to Children's Miracle Network in 2009 through corporate funding and annual fundraising events like the Walmart Walk for Miracles. This international non-profit organization raises funds for more than 170 children's hospitals worldwide with 14 in Canada alone. Donations support medical care, research and education that helps to save and improve the lives of more than 2.6 million Canadian children each year. Since 1994, Walmart Canada has contributed more than \$49 million to the cause.

Breakfast Clubs of Canada

Walmart Canada contributed \$3 million to Breakfast Clubs of Canada in 2009. Their dream is for all children to have an equal chance to start their school day with a nutritious breakfast in an environment that promotes self-esteem. School breakfast programs help to level the playing field for disadvantaged children, giving them an equal chance to grow and flourish throughout life. Breakfast Clubs of Canada serves 33 million breakfasts to more than 204,000 Canadian kids annually.

Canadian Red Cross

Walmart Canada raised and donated \$2.8 million to the organization to support domestic disaster relief efforts in 2009. The Canadian Red Cross helps roughly 10,000 people each year – affected by emergencies and disasters, with situations ranging from a house fire to a flood disrupting an entire region. Following a disaster, the Red Cross works with governmental and other humanitarian organizations to provide for people's basic needs -- food, clothing, shelter, first aid, emotional support and family reunification.

Evergreen

Walmart Canada contributed \$760,000 in 2009 to Evergreen, supporting 56 local community greening projects across Canada. Evergreen is a not-for-profit organization with a mission to bring communities and nature together for their common benefit. By empowering Canadians to take a hands-on approach to their urban environments, Evergreen is working to improve the health of our cities and our place in nature – now and for the future.

Global Emergency Relief Support:

Canadian Red Cross Haiti Earthquake Fund

Within 24-hours of a 7.0-magnitude earthquake striking the Caribbean nation of Haiti, Walmart Canada launched a nationwide campaign to generate urgently needed funds for the massive relief effort. In 16 days, Walmart Canada, its associates and customers, raised and donated more than \$2.6 million to the Canadian Red Cross Haiti Earthquake Fund. In addition, we donated gift cards to the Red Cross to support the Haitian evacuees arriving in Montreal and help look after their immediate needs.

Community Programs:

Juno Beach Centre

Walmart Canada raised and donated \$860,000 to the Juno Beach Centre, a Second World War memorial and education centre located in Normandy, France. The Juno Beach Centre showcases the war effort made by all Canadians, civilians and military alike, during the Second World War. As the charter corporate sponsor, Walmart Canada is honoured to have been part of the Juno Beach Centre right from its beginning.

Scholarship & Education Programs

Walmart Canada awarded 64 scholarships for a total of \$170,000 in bursaries to graduating Canadian high school students pursuing a post-secondary education. Walmart currently offers three scholarship programs – Community, Associate and Lou Puim Memorial scholarships. Applicants are evaluated on the basis of academic achievement, financial need, extracurricular activities, community involvement and environmental stewardship. In 2007, Walmart Canada also became a Champion for the University of Alberta School of Retailing through a one million dollars / five-year sponsorship agreement.

Local Matching Grants

Walmart Canada raised and donated \$3.7 million in 2009 to more than 1,000 local charities and non-profit organizations across Canada through our Local Matching Grant program.

Evergreen: Newest top four national programs

In 2009 Evergreen became one of Walmart Canada's top four national programs.

Dedicated to making cities more liveable, Evergreen is a not-for-profit organization that is a leading national funder and facilitator of local, sustainable greening projects in schoolyards, parks and communities across Canada

Good things growing

Starting in 2005 Walmart Canada has helped to fund 261 Evergreen Green Grant projects across Canada with some real success stories now taking root. This is a long-term multi-million dollar commitment that's the largest community granting program of its kind in Canada.

A fine example of one of our many Green Grant projects is The Children's Garden located in Old Ottawa East in the nation's capital. Designed to be Ottawa's first dedicated children's garden, its purpose (in the words of the organizers) is to "engage and educate the senses, the mind and the imagination in terms of our relationships with nature. Its even bigger purpose is to have fun in the process."

Rebecca Aird, the Chair for Sustainable Living Ottawa East (SLOE) recently thanked Walmart Canada for their contribution to funding the garden:

Hello Walmart Canada:

Just a quick email to convey best wishes for the season and a sincere thank you for the support we received through a Walmart-Evergreen Grant (June 2008) for the development of a Children's Garden in Ottawa.

The Garden is a beautiful community space in what was until two years ago an unused patch of grass, a City park in name only. We've made incredible progress in bringing to life the design developed by children at a nearby public school, including paths, a seating area and picket fencing painted by the kids. And of course, planting beds that have brimmed with tomatoes, squash, beans, cucumbers, potatoes, herbs etc. for the past two seasons. The garden has hosted events now too numerous to count, including organic gardening courses, community work days, school planting days, a weekly play group, high school and university volunteer events, arts events, bug hunts and harvest festivals. Some of these are events we have organized, but the Garden is also increasingly used by other organizations such as church groups, summer camps and environmental groups. This fall the Garden was awarded a City of Ottawa design award.

And of course, best of all, children in this part of the City (and from well beyond our community as well) have a place they can feel is theirs to learn about how to grow things and how things grow.

Regards,

Rebecca Aird Chair – Sustainable Living Ottawa East (SLOE) www.sustainablelivingottawaeast.ca

Walmart scholarships: Making the grade

In 2009, Walmart Canada awarded 64 scholarships to graduating Canadian high school students to reach a total of \$170,000 in bursaries.

Walmart Canada offers three annual scholarship programs for Canadians pursuing a post-secondary education: The Community scholarship for students, the Associate scholarship and the Lou Puim Memorial scholarship for associates and their families.

We evaluate applicants on the basis of academic achievement, financial need, extracurricular activities, community involvement and environmental stewardship. In a sign of the times, Walmart saw demand double in 2009 for Community scholarships to nearly a thousand student applicants. We responded by increasing the number of available Community scholarships from six to 20.

In contrast, we receive nearly 200 applications for the Associate and Lou Puim Memorial scholarship programs – less than in 2008. We took the opportunity to increase the dollar amount from \$1500 to \$2000 for each recipient.

Walmart Scholarships 2009 report card

- 64 scholarships awarded to high school graduates
- 45 awarded to associates or their children
- 19 awarded to members of the community
- \$170,000 value of these scholarships
- More than 850 scholarships awarded to date
- \$1.3 million total value of scholarships awarded since 1994

Shining example: Star associate rocks for charity



When Dean Pike wants to make a difference, the East Coast singer/songwriter picks up his guitar and plays.

By day, Dean works as assistant manager at the Walmart Canada store in Marystown, Newfoundland. Each year he teams up with Children's Miracle Network to give a concert to raise money for the Janeway Children's Hospital in St. John's. Last year he performed and released a CD of his original song "Smile" – selling 500 CDs and successfully raising \$2500 for the hospital.

According to co-workers, this is nothing unusual for Dean. He routinely champions fundraising activities at the store and is well-respected by associates and management alike. In recognition of his efforts to go above and beyond, Dean was named our Star of the Year by Walmart Canada at the annual Year Beginning Meeting held in February 2010.

The Star Program recognizes associates for their dedication and commitment to Walmart's three basic beliefs: respect for the individual, service to customers and striving for excellence. Way to go Dean!



Walmart Canada

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We welcome your feedback regarding our CSR Report. Please email us at CACSR@wal-mart.com or send your comments to:

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