

ENHANCING RESILIENCE IN THE FACE OF DISASTERS

Disaster knows no borders, and neither do Walmart’s response efforts. FY2017 brought Typhoon Nepartak in China; flooding in Argentina, Baton Rouge, Louisiana, and Lumberton, North Carolina; wildfires in Alberta, Canada; and water contamination in Flint, Michigan. In each case, Walmart and the Walmart Foundation were there to support the local communities that were hit hardest.

Ever since our founding, Walmart has been engaged in supporting local communities in their time of need. Our ability to respond to disaster on a large scale became clear in 2005, during Hurricane Katrina. As the hurricane devastated the Gulf Coast, Walmart moved quickly to mobilize our local stores to donate emergency supplies, deploy truckloads of relief resources to the hardest-hit areas and support our associates as they volunteered their services. Through this work, we realized we could use our skills and resources to help in times of disaster. Last year, Walmart and the Walmart Foundation provided support during 30 events while monitoring an additional 67 events in 12 countries. Evidence shows that the severity and frequency of disasters around the globe is increasing. Accordingly, last year Walmart and the Walmart Foundation pledged \$25 million in cash and in-kind donations to support disaster preparedness and relief through 2020.


We’re enhancing resilience through two key strategies:



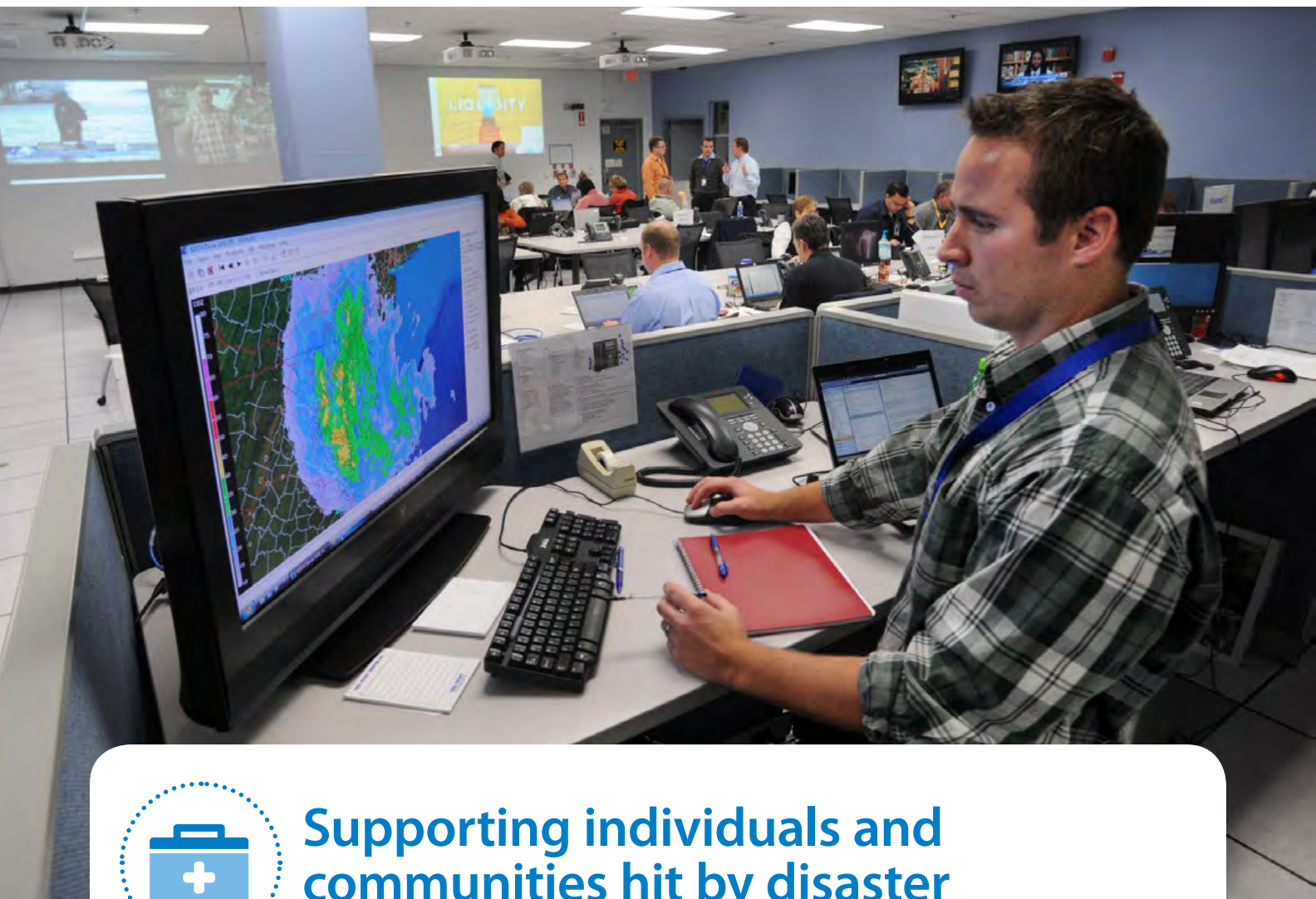
Supporting individuals and communities hit by disaster around the globe



Improving preparedness and response capabilities



\$60 million+
in contributions by
Walmart and the Walmart
Foundation to disaster
relief and preparedness
efforts since 2005



Supporting individuals and communities hit by disaster around the globe

While disaster response is complex, our approach is simple. Walmart focuses on areas where we can take fullest advantage of our strengths in supporting communities that have been hit. These strengths include our scale, our locations, our ability to source products, our associates and our logistics. Our priorities are to support the communities in which we do business and the safety and well-being of our associates.

Responding to disasters

When disaster strikes a community, our 12,000 locations across the world—which are stocked with the kinds of products that are crucial in an emergency—become a valuable resource. We work to reopen our stores as quickly as possible, so that people can access the pharmacy, grocery and other essential departments. Often, we can begin distributing items to those in need while response agencies work to establish ongoing relief operations. To provide supplies as efficiently as possible, associates in our Emergency Operations Center collaborate with first responders, nonprofits such as the American Red Cross, and local, state and federal government agencies. We also support relief efforts with our associates' expertise in logistics and operations. As the event transitions from immediate relief to long-term recovery, Walmart and the Walmart Foundation may provide additional grants to nonprofits working to address longer-term needs, helping to restore normalcy to the community. Over the past year, Walmart and the Walmart Foundation supported relief and preparedness efforts with \$6.8 million in cash grants.

- **Relief for Hurricane Matthew.** In October of 2016, Hurricane Matthew started gaining force in the Caribbean, eventually building in strength to a Category 5 storm, making it one of the strongest hurricanes in almost a decade. In addition to its sheer strength, Hurricane Matthew had a devastating reach, damaging communities across three countries and five U.S. states. Ultimately, it would claim hundreds of lives and cause upwards of \$6 billion in damage. In Walmart's Emergency Operations Center (EOC) in Bentonville, Arkansas, associates gathered from around the company to monitor the storm and coordinate efforts to help support Walmart associates, operations and communities affected by the hurricane.

As our teams monitored the storm, they were in direct communication with a number of response organizations to gauge the damage and needs on the ground. In Haiti, the Walmart Foundation gave a total of \$500,000 to three major nonprofits—International Medical Corps, CARE and Team Rubicon Global—which engaged early in the response. Each organization was chosen to help provide a wide array of interventions, including medical care, home rebuilding and debris removal. In the U.S., Walmart coordinated with nonprofit organizations and local and state emergency management officials to provide nearly 575,000 bottles of water and other essential supplies, and helped make sure our more than 225,000 local associates and their families were safe.



\$6.8 million
in cash grants to support
disaster relief and preparedness
efforts in FY2017

Walmart supports disaster relief around the world. Examples from FY2017 include the following:

- **Guatemala.** When heavy rains caused a landslide that destroyed six homes in Guatemala last year, Walmart Guatemala activated the Manos Amigas program, donating food and personal hygiene products to the 300 people affected by the disaster.
- **China.** Walmart has used its unique strengths to assist in a range of disaster relief efforts in China over the past year. In May of 2016, we donated shoes, clothing and other supplies as stock against future disasters. In June, after a tornado swept through Jiangsu province, Walmart rushed 3,000 family emergency-relief packages, including blankets, raincoats, flashlights, towels and other supplies to the area. In August, Walmart China and the Walmart Foundation donated a combined total of 2 million RMB to organizations assisting families affected by floods.
- **Argentina.** At the beginning of FY2017, floods affected the Litoral region of Argentina. The Walmart Foundation responded by donating \$100,000 to Red Cross Argentina. Walmart Argentina stores and Distribution Centers donated more than 12,900 litres of milk, 17,880 litres of water and 5,240 kg of nonperishable foods and consumables to help those impacted.





IMPACT

Helping provide drinking water to the children of Flint

In FY2017, after news broke that Flint, Michigan's water supply was contaminated with lead, Walmart assembled a coalition comprised of The Coca-Cola Company, Nestle Waters North America Inc. and PepsiCo and its Foundation to support the community. The coalition worked with 30 schools across the city, including the Flint Community School District, Genesee Intermediate School District and various charter and private schools to help see that children of Flint had a steady supply of bottled drinking water.

In the course of that work, other opportunities for supporting the community emerged. For example, when news spread of the crisis, people from across the country started shipping water to the area in support of Flint's schoolchildren. These heartfelt donations had the unfortunate side effect of severely straining the schools, which weren't equipped to warehouse or distribute bottled water. Since logistics is one of our core strengths, Walmart quickly stepped in to help. Working with local organizations and the State of Michigan, we secured a warehouse to receive donations — including those from the coalition — and helped work out a system for regular deliveries to schools.

With the influx of bottled water into the area, Walmart realized it was important to increase sustainability programs in the Flint community. As a result, Walmart found another opportunity to apply our collective expertise to support those impacted. To help address the increase in plastic

bottles, Walmart, alongside our coalition partners, worked with Keep America Beautiful to design a program to support sustainability education and school recycling programs. The coalition made donations of over 1,500 recycling bins to the impacted schools for classrooms and common areas. "This is a great opportunity for us to make a meaningful difference in improving recycling throughout Flint and to teach the next generation of environmental stewards the benefits of recycling and how to recycle right," said Brenda Pulley, Senior Vice President, Recycling, Keep America Beautiful.

Despite the complexity of the Flint water crisis, Walmart and the coalition suppliers were able to step in quickly to help support the schoolchildren, help relieve the burden on public officials managing the crisis and help create a more resilient Flint.



WALMART'S EMERGENCY OPERATIONS CENTER

At the heart of Walmart's disaster-response capability is our Emergency Operations Center (EOC) in Bentonville, Arkansas. Here's how it operates:

- The EOC, which is staffed by Walmart associates with extensive training in law enforcement, meteorology and emergency response, monitors the globe for natural disaster and civil issues and develops plans to help mitigate the impact on our associates, our stores and our communities.
- When a disaster begins to develop, the EOC works to prepare for the crisis and to provide real-time support once it has begun.
- The EOC becomes the central hub for disaster support. Associates from departments around the company collaborate within 10 emergency support functions to support associates, operations and communities.



Supporting associates in times of crisis

Sometimes disasters strike very close to home, affecting our associates and their families. Here, too, we work to provide support through difficult times.

- **Disaster displacement assistance.** In disaster situations, we work closely with our facility and human resource teams with the goal of contacting all Walmart associates in the impacted area to check on their safety and to help ensure they and their families are able to find shelter. Our Disaster Displacement Assistance (DDA) program, developed to provide basic relief, offers small grants to Walmart associates in need due to evacuation or severe damage to their homes. In FY2017, Walmart provided over \$1.7 million to associates through the DDA program.
- **Associates in need.** We also work to support our associates through personal crises. In the U.S., the Wal-Mart Associates in Critical Need Trust (ACNT), a public charity supported by Walmart associates, Walmart alumni, the Walton Family Foundation, Walmart and the Walmart Foundation, is available to aid associates with basic living expenses when they are dealing with unexpected emergencies in their personal lives, whether it's a house fire, flood or other hardship. In the U.K., the Asda Foundation's Colleague Hardship Fund donated more than \$81,694 to support colleagues and immediate family members in significant financial hardship. Similarly, in 2009 Walmart associates in Brazil began "The Charity Club," an associate-sponsored emergency fund to help their co-workers in times of sudden, unexpected need. Associates voluntarily authorize a monthly payroll deduction that is in turn matched by Walmart Brazil, dollar-for-dollar. Any associate with a qualifying emergency is eligible to receive help, whether or not they donate to the fund. In FY2017, 271 associates received help.



IMPACT

Lissa's story: Help when you need it most



“When you have a fire, it’s the little things that you need, but don’t think about,” said Lissa, a wife, mother, grandmother and Support Manager for Wal-Mart Stores. She should know. On April 1, 2015, Lissa and her family lost almost everything they owned when their house caught on fire.

The next day, she and her husband and their 17-year-old son headed to Walmart to try to replace the myriad everyday items needed for health, hygiene and a little much-needed comfort.

Lissa didn’t know it, but news of the fire reached the store before her. Lissa’s manager spotted the family and told them to see him before they checked out. He surprised them with a donation raised from fellow associates eager to help out in their time of need. “I’m not the kind of person who takes donations,” said Lissa. “I didn’t want to do it, but I was in a crisis.”

Then he told Lissa about the Associates in Critical Need Trust.

Lissa applied for and received an ACNT grant, which helped get her back on her feet. She says she was amazed at how quickly the application was processed. “It was a really big help,” she said. “The money helped us purchase items that we lost and needed to replace.”

Since that day when Lissa’s associates and community gathered around her with emotional and financial support, she and her family have returned to their home and Lissa is back at work, with renewed energy and a passion for helping other associates. Thanks to a helping hand at a critical juncture, Lissa — and other associates coping with emergencies — are able to get back to their busy lives at little bit faster.



Improving preparedness and response capabilities

As with all our efforts, when it comes to disaster work, we aspire to improve entire systems, not just respond in the moment. Walmart and the Walmart Foundation support efforts to help communities respond more quickly and effectively in the wake of disasters. We also invest in technologies and other innovations that help communities better prepare for disasters.

Improving the speed and focus of disaster response

Walmart's investments are aimed at developing tools to improve situational awareness in the midst of disaster and to deploy disaster relief supplies more efficiently, reducing waste and lessening the strain on the response network. They include the following:

- **Donating responsibly.** Rensselaer Polytechnic Institute estimates that 50 to 70 percent of goods donated in a disaster end up in a landfill. Walmart and the Walmart Foundation are working to reduce or better utilize unsolicited in-kind donations. In collaboration with the United Nations Office for Disaster Risk Reduction's Private Sector Alliance for Disaster Resilient Societies (ARISE), we kicked off an effort to address challenges with this type of donation by convening thought leaders from academia, NGOs and businesses across the world.
- **RC View.** In 2015, Walmart awarded a \$1.5 million grant to the American Red Cross to develop RC View, a computerized tracking tool to help relief organizations focus their efforts for greater efficiency and effectiveness. Walmart's investment in this platform allows the American Red Cross

In an effort to combat house fires, the **American Red Cross** launched its Home Fire Preparedness Campaign



to save time and resources by using the latest geospatial and digital technology, improving the efficiency and speed of disaster operations for the benefit of those served by the Red Cross. As a result, the Red Cross is able to obtain and analyze reliable data quickly to determine what people and supplies are needed to help—whether it was bringing aid to flood-ravaged communities in Louisiana or helping fire survivors rebuild their lives in Tennessee.

Strengthening community preparedness

Our work during Hurricane Katrina and in the years since then have shown us how emergency preparation can help reduce loss of life and property. Walmart and the Walmart Foundation are investing in the increased usage of data and technology to help communities that are at risk for severe disaster bolster their readiness.

- **Home fire preparedness.** Residential fires result in the death of over seven individuals each day on average. Additionally, property damages and financial losses from home fires total upwards of \$7 billion annually. In an effort to combat house fires, the American Red Cross launched its Home Fire Preparedness Campaign aimed at reducing the number of home fire deaths and injuries by 25 percent. As part of this campaign, the Walmart Foundation joined forces with American Red Cross chapters in 12 states, providing \$525,000 in grants through the State Giving program to support the installation of over 50,000 smoke detectors and the distribution of disaster preparedness materials in thousands of communities as the Red Cross canvassed vulnerable communities.
- **Community preparedness.** We are also working to improve disaster preparedness in the San Francisco Bay Area. Through a \$300,000 grant from the Walmart Foundation, Cities of Service has funded projects in five cities in the region to enhance the preparedness of underserved communities and other populations facing increased risk in times of disaster. In the City of Richmond, for example, Community Emergency Response Team (CERT) leaders are being trained to identify and work with individuals within their community with special needs that make them especially vulnerable during emergencies.



CHALLENGES

Enhancing resilience in the face of disaster

Fragmentation of response.

While many organizations are working in disaster response and preparedness, there continues to be a lack of cohesion and coordination across the efforts. As a result, useful data is not shared, resources are not effectively distributed, and many organizations are investing time and expense on similar tools at a high cost.

Lack of focus and resources for preparedness.

Many communities lack a formal disaster preparedness plan. When such plans exist, they may be underdeveloped, fail to assess key risks or may not be widely communicated to residents. Often, states and communities lack the financial resources to enhance disaster preparedness.