

2017

GLOBAL RESPONSIBILITY REPORT SUMMARY



The following is a summary of our global responsibility initiatives and progress.

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About this report

This report covers the global responsibility activities of Walmart and the Walmart Foundation, and information reported from grantees, suppliers and others, for fiscal year 2017, which ran from February 1, 2016, to January 31, 2017. For readers' convenience, we refer to this fiscal time period as FY2017 throughout the report, unless otherwise noted. Grant funds reported as awarded or committed may not have been disbursed in FY2017 and full payment of those amounts may be subject to receipt of satisfactory impact reports.



To learn more, please read our full Global Responsibility Report by visiting corporate.walmart.com/2017GRR.

We want to make a difference, and we want to be a trusted retailer that customers, associates, communities and shareholders are proud of.



This year marks 25 years since then-President George H. W. Bush awarded our founder, Sam Walton, the prestigious Presidential Medal of Freedom.

President Bush came to Bentonville, Arkansas that March day to present the award. And while he spoke about Sam’s business success, he focused most of his remarks on the personal qualities that set Sam apart from his peers: his determination, his decency and the good Walmart does in communities. As he accepted the award, Sam said that if we work together we’ll give the world an opportunity to see what’s it’s like to save and have a better life.

That purpose still motivates us. We love making our customers’ lives easier—saving them money and making shopping simple and convenient. Helping people live better also means supporting our associates and serving our communities, and doing the right thing every day. At the end of the day, it comes down to trust.

Earning trust means selling quality products at low prices and giving back to communities. But it goes even deeper than that. All over the world, we’re seeing that customers are increasingly aware of the products they are buying and their impact on the world. They have less time to research the products they buy—yet they care even more about how they are sourced. They’ll choose to shop with retailers who provide that transparency so they can feel good about the items they purchase. They expect us to use our strength to make a difference on environmental and social issues.

That is our expectation too. We believe we can deliver for our customers at the same time we create what Dr. Michael Porter from Harvard Business School calls “shared value” for our business and society. In 2005, we set three aspirational goals: to be powered by 100 percent renewable energy, create zero waste and sell products that sustain people and the environment.

We made good progress toward those goals, and last November we announced a new 10-year vision to create shared value, which we described as work toward a “new era of trust and transparency” for Walmart. What was once largely about our own operations has expanded and shifted into helping rewire whole social and environmental systems.

We made new commitments to increase the use of renewable energy, reduce greenhouse gas emissions in our operations and in our supply chain, to create zero waste in key markets, sell more products that sustain people and the environment and expand local sourcing. We’re also working to support the human dignity of workers throughout our supply chain. You can read more about them in this report, as well as the progress we’ve made towards past commitments.

We’re excited about our progress so far. We’re very grateful to be joined in this work by other retailers, suppliers, governments and NGOs as we work toward these goals.

We will continue to look for ways to make it easier for customers to not only save money, but also save time to help them make sustainable and responsible choices when they shop with us, so they don’t have to pay more or make tradeoffs.

We want to make a difference, and we want to be a trusted retailer that customers, associates, communities and shareholders are proud of. That is what motivated Sam Walton 25 years ago, it’s what motivates us today, and it will be what motivates us for the next 25 years.

Doug McMillon
Chief Executive Officer
Wal-Mart Stores, Inc.

Performance highlights



Opportunity

We will increase economic opportunity in retail and retail supply chains



Increased economic mobility and inclusion

Completed our **\$2.7 billion** investment in the U.S. that includes increases in training, education and higher wages

Walmart enabled over a **half million*** people to grow and succeed



Supporting local, diverse and small businesses

Fulfilled commitment to source **\$20 billion** from women-owned businesses over 5 years.

Investing in American jobs – Walmart is committed to purchasing an additional **\$250 billion** in products that support American jobs between 2013 and 2023

* Based on number of Walmart associates who graduated from Pathways and Academies training programs, Walmart associates promoted and individuals receiving training through programs funded by Walmart or the Walmart Foundation.



Global Giving

\$1.4 billion+ in total

\$1.1 billion+ in-kind giving

\$299.9 million+ in cash giving



Sustainability

We will enhance the sustainability of operations and value chains

Reducing energy intensity and emissions in our operations



Approximately **26%** renewable energy globally



Eliminating waste in our operations

77% of global waste diverted from landfill*



Reducing environmental impacts

A reported **76 million** acres committed to fertilizer optimization programs

Providing affordable, safer and healthier food and products



96%** suppliers reduction of high priority chemicals by weight in Walmart U.S. stores since 2014



Supporting the dignity of workers everywhere

Joined the Leadership Group for Responsible Recruitment

Supporting measurement and transparency in our supply chain

\$200 billion worth of goods sold evaluated for sustainability performance



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

** A supplier reported number

Community

We will help strengthen local communities



Relieving hunger

Provided support for **2.4 billion+** meals provided to people in need since 2014



Enhancing resilience in the face of disasters



Supported communities after 30 disasters
\$6.8 million cash donations for disaster preparedness and relief

Developing local communities

1.2 million associate volunteer hours

\$100 million invested by Walmart and the Walmart Foundation in local communities





A message from our Chief Sustainability Officer

Over the past 30 years, global prosperity has increased by many measures. Life expectancy, school enrollment and access to drinking water are up and technology has opened new doors for billions of people.

Yet at the same time this progress occurs, growing population, globalization and technological disruption have created new social and environmental challenges. Inequality is increasing in many countries, while water supply, forests, air quality, biodiversity and our climate are under unprecedented pressure.

Last November, Walmart renewed our commitment to using our strengths as a large global retailer to do our part in helping to address these challenges. Our “Leadership 2025” agenda reaffirmed and extended our aspiration to help increase economic opportunity, enhance sustainability of value chains and strengthen local community resilience.

This report describes progress in support of that agenda, through our major environmental, social and governance (ESG) initiatives. As explained in the pages that follow, achieving fundamental, lasting resolution of complex ESG challenges requires systemic transformation and leadership across many sectors: companies, governments, civil society—and customers too.

The capabilities of the private sector are unique, and complement what governments and civil society can do. As the world’s largest omni retailer, our capabilities include our associates, jobs, purchase orders, supplier relationships, technologies, store network and our logistics infrastructure. We also have a daily relationship with hundreds of millions of customers and a presence and insight into hundreds of local communities. There’s also our philanthropy and our know-how in coding, marketing, operations, agronomy and product development. Perhaps most importantly, we have the ability to help create market-based solutions—where the behaviors that result in better environmental and social outcomes are also the behaviors incited by the market.

Our aim today is to keep using our strengths in collaboration with others to transform the systems we rely on. We believe that the value-maximizing strategy is the one that creates shared value—value for customers, business and society.

Ultimately, environmental, social and economic interests converge for all of us.

Kathleen McLaughlin
Chief Sustainability Officer
Wal-Mart Stores, Inc.





Our approach to global responsibility: Shared value



Whole-system change.

Working with others, we aspire to reshape whole systems to achieve significant and lasting improvement in social, environmental and economic outcomes. For example, enhancing environmental sustainability in retail supply chains means addressing their social and economic dimensions, too. We have placed, and will continue to place, increasing emphasis on social issues such as empowering women and promoting worker safety and dignity.

Create shared value for business and society.

We seek to create value for stakeholders across business and society, because shared value enhances the quality and viability of solutions. We believe that our social and environmental programs are of interest to long-term stakeholders because they strengthen the systems we rely on as a retailer.

Lead through the business.

We work to integrate our social and environmental priorities into our routine business activities (such as merchandising, sourcing, store operations, logistics, human resources and technology), through leadership practices, organizational roles, operational processes and tools.

Focus on actions that draw on Walmart's particular strengths.

We can make the most significant difference when we draw on our particular strengths as a retailer. These strengths include our 2.3 million associates globally, supplier relationships, purchasing in categories like food and apparel, physical assets and capabilities in logistics, marketing, operations and merchandising.

Use philanthropy to complement business initiatives.

We complement and extend the impact of Walmart's social and environmental initiatives through philanthropic efforts. Through both in-kind and cash gifts, Walmart and the Walmart Foundation give over \$1 billion annually to projects that create opportunity, enhance sustainability and strengthen community.



Collaborate with others.

Since we believe that collective action is essential to the transformation of systems, we shape our programs in collaboration with other leaders and stakeholders. We are also investing in enhancing the effectiveness and ease of dialogue and action across sectors through support for organizations and tools, such as the Consumer Goods Forum and the Sustainability Index.



Stakeholder perspectives

At Walmart, we continually engage stakeholders to understand their perspectives, improve the effectiveness and relevance of our initiatives, increase transparency and trust and collaborate on addressing business and societal challenges.



To sharpen our social and environmental priorities, programs and reporting, we heavily engage our stakeholders—customers, associates, suppliers, advisory councils, community leaders, grantees, other NGOs, government leaders and investors—in dialogues, working sessions and surveys about their perspectives on Walmart’s role in society. These include interviews and a 1,750-respondent survey conducted by Sustainalytics. The Sustainable Development Goals released by the United Nations also informed our discussions.

Although stakeholder perspectives varied in emphasis, there were consistent themes: While people acknowledge we live in a time of unprecedented global prosperity (in part due to retail and technological innovation, among many other factors), we also face unprecedented social and environmental challenges in meeting the needs of a growing world population.

Stakeholders reinforced their expectation that Walmart—as a leading retailer—should use its strengths in collaboration with others to help reshape social and environmental systems for the benefit of society, as well as business.

The accompanying exhibit summarizes stakeholder perspectives on societal challenges, the relevance they see for businesses like Walmart and how they suggest Walmart can help.

Summary of stakeholder perspectives

Societal challenges		Business relevance	Perspective on how Walmart can help
Environmental			
Climate	Rising emissions and temperature	Cost: energy, carbon	Work to reduce energy intensity, adopt renewable energy, and reduce emissions not only in own operations, but also in supply chains, including with customers
Natural resources	Deforestation Water quality, quantity Land use, soil health Fish stocks, biodiversity	Supply security Cost structure Growth	Collaborate with suppliers and others to create more restorative supply chains in food and other commodities with less environmental impact
Waste	Landfill Resource depletion Pollution	Cost Revenue streams	Eliminate waste in own operations and help “close the loop” on waste throughout production and consumption
Animal welfare	Housing Pain management Antibiotics	Customer trust Cost	Encourage suppliers to promote “5 freedoms” in food production
Social			
Inclusive economic mobility	Cost of living Upward mobility/equality Jobs, GDP, tax base Women, diversity Access to markets	Associate engagement Productivity Growth Retention Reputation	Expand customer access to affordable food and other products through retail and e-commerce Continue to provide opportunity for associates, with the wages, upskilling and other practices that support mobility Support local manufacturing; help women-owned, diverse suppliers grow; support smallholder access to markets
Worker dignity in supply chains	Workplace safety Forced labor	Customer trust Supply security Reputation	Continue responsible sourcing practices and collaborate with others on initiatives that support healthier, safe work conditions, free from forced labor
Food security	Affordability and access Hunger Food/product safety Nutrition	Waste Cost Growth	Support continued development of safer, more affordable, accessible, healthier and sustainable food system Help increase transparency into product ingredients and production methods, while advocating for better products
Community resilience	Belonging and inclusion Natural disasters Strength of community organizations	Customer trust Associate engagement Reputation Cost	Support local community causes through volunteerism and giving Help communities prepare for and respond to disasters



Shared value priorities and aspirations for 2025

Ten years ago, Walmart set out three aspirational goals tied to sustainability: create zero waste, operate with 100 percent renewable energy; and sell products that sustain our resources and the environment. At the Net Impact conference on Nov. 4, 2016, Walmart President and CEO Doug McMillon outlined new targets that build upon the three original aspirational sustainability goals to guide the company on critical shared value priorities for the next decade.



Opportunity

Increase economic opportunity in retail and retail supply chains

PROVIDE GREAT JOBS AND TRAINING THAT BECOME GREAT CAREERS FOR OUR ASSOCIATES

- Building upon the \$2.7 billion investment we made in education, wages and training for millions of associates in the U.S., we will work to achieve the following
 - Be the place to go for a first job
 - Provide a clear path for career advancement
 - Put millions of associates through focused training
 - Foster predictability and stability and pay
- Accelerate the mobility of frontline retail workers beyond Walmart
- Promote culture, diversity and inclusion at Walmart
- Support economic inclusion in supply chains and communities

SUPPORT LOCAL, DIVERSE AND SMALL BUSINESS DEVELOPMENT

- Source more products locally around the world, including our goal to source \$250 billion in products supporting American jobs by 2023
- Support local and small farmers
- Foster growth of women-owned and diverse suppliers
- Support growth of small business





Sustainability

Enhancing the sustainability of our operations and value chains

REDUCE ENERGY INTENSITY AND EMISSIONS

- Be powered by 50 percent renewable energy by 2025
- Reduce emissions in our own operations by 18 percent

ELIMINATE WASTE

- Achieve zero waste to landfill in our own operations in the U.S., U.K., Japan, and Canada by 2025. The commitment is designed to meet the guidelines developed by the International Zero Waste Alliance

IMPROVING SUSTAINABILITY IN VALUE CHAINS

- Support measurement and transparency in our value chain
- Reduce environmental impacts
 - Work with suppliers to reduce 1 Gigaton of emissions between 2015 and 2030
 - Expand sourcing of commodities produced with zero net deforestation by 2020
 - Expand and enhance more sustainable sourcing to cover 20 key commodities
 - Walmart private brand products will use 100 percent recyclable packaging
 - Work with suppliers to reduce product and packaging waste and help preserve natural resources
- Make food and products healthier and more affordable
 - Double the sales of locally grown produce in the U.S.
 - Reduce sodium, added sugars and saturated fat where possible
 - Work with suppliers and our own private brand products in key markets, beginning in the U.S., to remove certified synthetic colors and artificial flavors in products where customers don't expect to find them
- Support the dignity of workers in the retail supply chain
 - Walmart is joining the Leadership Group for Responsible Recruitment, a collaboration of businesses and NGO partners working to ensure ethical recruitment and treatment of workers globally



Community

Improve the lives of people in communities

HELP RELIEVE HUNGER

- Fulfill our existing commitment to donate 4 billion meals to fight hunger by 2020 and strengthen the charitable meal system

ENHANCE RESILIENCE IN THE FACE OF DISASTERS

- Walmart and the Walmart Foundation is contributing \$25 million towards disaster relief and resiliency around the world between 2016 and 2021

DEVELOP LOCAL COMMUNITIES

- Support community engagement
- Engage associates and customers to help others





Opportunity

Increasing economic opportunity

As a global retailer, Walmart is working with others to use our strengths—our jobs, our purchase orders, our company voice, the convening power of our brand and philanthropic investments—to create a more inclusive economic system that increases workforce mobility and economic growth in countries around the world.

We have two main priorities:

- Supporting local, diverse and small businesses
- Increasing economic mobility and inclusion

The following pages provide examples of some of our work within these priorities. To learn more about increasing economic opportunity see corporate.walmart.com/2017GRR.



Supporting local, diverse and small businesses: Investing in American jobs

Walmart aims to use our purchase orders, supplier relationships and philanthropy to promote local manufacturing innovation and growth. In 2013, we launched a major initiative in the U.S. to purchase an additional \$250 billion in products supporting American jobs through 2023. From drinkware to toolboxes, from patio furniture to giftwrap, suppliers are expanding the manufacturing and assembly of products in the U.S. According to Boston Consulting Group 2013 Study, 1 million new U.S. jobs could be created through the Investing in American Jobs Initiative, including direct manufacturing job growth of approximately 250,000, and indirect job growth of approximately 750,000 in the support and service sectors.

Sourcing to expand U.S. manufacturing

Many customers tell us that where a product is made is second only to price in influencing their purchasing decisions. Sourcing locally allows our stores to respond to our customers faster, respond to seasonal demands and help mitigate risks such as volatility in currency and port delays, which increase the chance of running out of stock.

We enlist our suppliers to help us identify opportunities to increase production in the U.S. by increasing the amount of U.S.-made goods we already buy (like sporting goods, apparel, storage products, games and paper products), sourcing “new to Walmart” U.S. manufactured goods, and helping to onshore U.S. production in high-potential areas like textiles, furniture and higher-end appliances. To raise awareness of our initiative and encourage suppliers to identify new product opportunities, Walmart hosted the U.S. Manufacturing Summit and Open Call for new U.S.-made products in June 2016. Entrepreneurs from 40 states participated in 800 meetings at the 2016 Summit, and almost every shelf-stable item pitched was offered to be featured on Walmart.com.

U.S. Manufacturing Innovation Fund

As a complement to Walmart’s sourcing initiative, a \$10 million U.S. Manufacturing Innovation Fund was launched in 2014. The Fund, a collaboration between Walmart, the Walmart Foundation and the United States Conference of Mayors (USCM), supports innovative research into manufacturing processes. The research seeks solutions to common manufacturing challenges, such as production waste, environmental sustainability and process efficiency. The aim is to make it easier and more appealing for companies to produce household goods in the U.S.

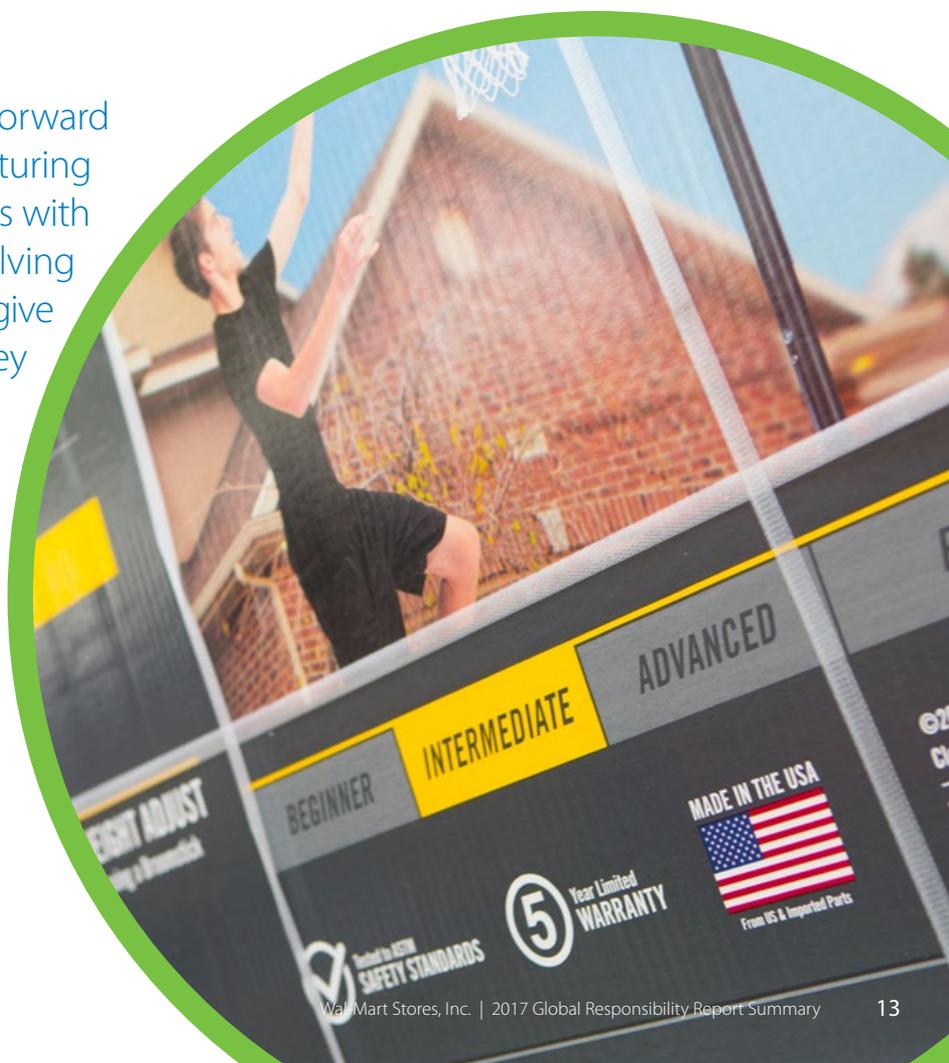
In FY2017, nearly \$3 million was awarded to six universities focused on sustainable manufacturing innovations in textiles. This funding cycle marks the completion of the \$10 million Innovation Fund commitment. While the funding is done, the projects continue to advance, and we hope to learn what works and what does not over the next few years as the Fund’s grantees advance commercial application of their research.

“The Innovation Fund’s straightforward strategy to strengthen manufacturing makes sense: Find the researchers with the most innovative ideas for solving manufacturing problems, then give those researchers the funding they need so their innovations can get to manufacturers across the U.S. that can use them to become more productive and competitive.”

Tom Cochran
CEO and Executive Director
of the U.S. Conference of Mayors



Completed the
\$10 million
in U.S. Manufacturing
Innovation Fund
commitment launched
in 2014





Economic mobility and inclusion: Providing great jobs, training and advancement for associates

Walmart is a company where it's still possible to start with a job stocking store shelves and build a career with unlimited opportunity. Our CEO, Doug McMillon, for example, began his career in a Walmart warehouse. Three quarters of our U.S. store management teams began as hourly employees. In the U.S., where millions of people live within 10 miles of a Walmart store or Sam's Club location, we believe that we can be a source for advancement in thousands of communities.

Providing that sort of opportunity is more important than ever. According to a study from Programme for the International Assessment of Adult Competencies, lower-skilled workers make up a significant part of the U.S. adult workforce. With an average 300 positions in each of our U.S. supercenter stores, Walmart can provide a broad opportunity for workers to learn important—and transferable—job skills while earning a paycheck.

To help enable that advancement, we aim to provide our associates with both stability and mobility. We firmly believe both are required for a fulfilling career experience. That means supporting our associates in the jobs they have while striving to provide the tools they need to advance. We see each job as a pathway to greater opportunity, whether it's within Walmart, within the sector or in another industry entirely.

Providing great jobs for U.S. associates

Walmart is committed to investing in our associates. In FY2017 we completed our \$2.7 billion investment in the U.S. that includes increases in training, education and wages. In addition, we continually evaluate our benefits and workplace policies to, among other things, look for opportunities to address barriers that may impede career advancement. Some of our actions follow:

- **Wage increase.** To help meet our commitment of providing stability, we maintained our U.S. entry-level wage of \$9 per hour for new hires, with an additional increase to at least \$10 per hour after successfully completing our Pathways training program, which associates can finish in as quickly as 90 days (as of 1/23/17). We also raised the wages of all U.S. hourly associates hired before Jan. 1, 2016, to at least \$10 per hour.
- **Scheduling.** Handling responsibilities at home can be difficult with an ever-changing schedule. When our associates have more stability at work, they have a greater ability to address demands outside of work and pursue training and education opportunities needed for greater mobility. Our associates get their schedules more than two weeks in advance, and in FY2017 we began piloting a new scheduling format to provide associates with more consistency, flexibility and control over their schedules. Some associates have fixed schedules, enabling them to work the same hours on the same days for a more consistent schedule—and more predictable paycheck—while others have the option to build their schedule (even pick up additional, unfilled shifts) each week, based on changing needs. The new scheduling format began testing in Neighborhood Markets in FY2017, and will be tested in other formats in FY2018.
- **Paid time off.** We know that our associates have responsibilities outside of work. Sometimes they need to cope with an illness, a sick child or other family responsibilities. In FY2017, we designed a paid-time-off (PTO) program for hourly associates in U.S. Walmart stores and Sam's Clubs to address these needs. The program groups paid vacation, sick, personal and holiday time into one category and eliminates a prior one-day wait to use sick time. Associates earn PTO based on tenure and hours worked and can carry over up to 80 hours

for full-time and up to 48 hours for part-time to the next year. Any PTO hours above those totals are cashed out and automatically added to their paycheck at the end of the program year.

- **Short-term disability.** Stability also means being able to weather illnesses or injuries that require time for recovery. That's why Walmart added a basic short-term disability plan at no cost to full-time hourly U.S. associates in FY2017. It pays 50 percent of an associate's average weekly wage, up to \$200, for up to 26 weeks. We also added an enhanced plan at a lower cost than our previous voluntary plan that provides up to 60 percent of an associate's average weekly wage for up to 26 weeks.
- **Quarterly bonuses.** Eligible associates will continue to qualify for quarterly bonuses based on the performance of their store. In FY2017, hourly associates (full-time and part-time) received more than \$700 million in quarterly bonuses.

Bonuses for hourly
Walmart U.S. associates topped
\$700 million+
in FY2017



Investing in training and advancement

Providing a ladder of opportunity is part of our investment in our associates. While Walmart has long been a place where frontline workers could advance in the organization, we want to make that upward progress easier and faster, helping enable more associates to reach positions of greater responsibility and income, both within Walmart and beyond.

Providing greater opportunity creates better outcomes, both for our business and for society. On the business side, a more engaged, productive and diverse workforce improves our customers' experience and grows sales. For society, as workers receive training in the skills that lead them to the next level, household incomes can rise, overall economic stability improves and the national workforce is strengthened. We are working toward our goals with the following programs:

- **Training for new workers.** In FY2017, we introduced Pathways, our new training program for U.S. entry-level associates. Pathways helps associates gain vital retail job skills and may be completed in as quickly as 90 days. Our goal is to better integrate new hires into Walmart's culture, reinforcing our core values and our focus on serving the customer. Pathways teaches valuable and transferable skills, including customer service, merchandising, teamwork and communications. The program incorporates both self-paced, computer-based learning and mentoring from a supervisor. Besides helping associates apply what they've learned through the online modules, supervisors are able to provide frequent feedback and check-ins as the training progresses and to engage associates in discussions on job performance and potential career opportunities.
- **Educational opportunities.** Since 2010, Walmart has broadened its view of how it can help associates succeed in retail careers. Through the Lifelong Learning initiative, 7,185 associates have enrolled

In FY2017,
20,000+ 
 associates
 completed the Academy
 training program, and another
225,000
 associates
 slated to graduate in FY2018.

in our high school programs, and 74,000 associates have enrolled to use Rosetta Stone to learn languages since 2014. Another 8,500 associates have started college since 2011. In FY2017, more than 1,700 scholarships were awarded to associates and their dependents through funding from the Walmart Foundation.

- **Training for managers.** We also continue to build out our Academy training program. In FY2017, Walmart opened 60 Academies. The Academies are dedicated facilities that offer two to six weeks of hands-on, immersive learning, combining both classroom study and training on the sales floor. The Academies prepare associates for jobs as frontline hourly supervisors, department managers and assistant managers, teaching them to read spreadsheets, profit and loss statements and other skills necessary to take on greater responsibility. We expect to have 200 Academies in place by the end of FY2018, each of which will serve some 25 nearby stores.



Economic mobility and inclusion: Accelerating mobility of frontline retail workers beyond Walmart

In 2015, Walmart and the Walmart Foundation launched the Retail Opportunity Initiative, a five-year, \$100 million sector-wide effort aimed at strengthening the transferability of skills of the U.S. retail workforce and developing ways to make it easier for front-line workers to advance their careers. Through the end of FY2017, Walmart and the Walmart Foundation invested more than \$59 million and collaborated with leading nonprofits, employers, government agencies and educational institutions to identify and implement innovations aimed at increasing mobility of retail and related sector workers. As we work to accelerate mobility in the sector, we are focusing on the following areas:

- Showing how retail can create opportunity
- Building effective approaches to retail training and advancement
- Engaging retail employers to improve the workforce development system

We believe that while frontline retail workers develop important job skills, too often those skills are underrecognized and undervalued, hampering the ability of workers to advance.

Showing how retail can create opportunity

Hiring managers, potential workers and even people already working in the retail sector often underestimate the potential for acquiring skills through frontline retail jobs. As part of the Retail Opportunity Initiative, we are working to reset assumptions about what is possible, and by doing so, increase interest in retail jobs, quality of job training and opportunities for advancement. Our goal is to reframe the thinking on frontline retail jobs so that the sector truly becomes a launching pad to earn and learn. Examples of our work in this area include:

- **Core job skills.** The Walmart Foundation invested in the human development nonprofit FHI 360 to launch a campaign in Baltimore and Chicago promoting the value of the core job skills frontline retail workers hone—skills like teamwork, customer service and problem solving. The program is aimed at employers in retail and beyond, as well as the workers themselves and is designed to increase the mobility of workers who have developed core job skills.
- **Impact of retail employment.** The Walmart Foundation also funded a report by Opportunity Nation that shows there is a correlation between increases in a state’s economic prosperity, a composite measure based on factors including rates of poverty, crime and income equality.
- **Retention of entry-level employees.** In FY2017, Walmart made a grant to FSG to research and identify strategies and best practices for retaining young, entry-level employees, especially those who are out of school and not working. With additional Walmart funding, FSG will publish a report and conduct additional research on pre-hire interventions that could improve retention of entry-level employees. FSG’s research is now being applied by the 100,000 Opportunities Initiative, as that project seeks to increase hiring and support of opportunity youth.

Retail’s Opportunity

For many young workers, frontline retail jobs represent their first chance to earn a paycheck.

15 
million Americans
work in retail in
the U.S.

25% 
of workers in the
study were under
the age of 25

40% 
of workers were
completing their
education or
supplementing it

* According to Retail’s Opportunity: Exploring the Industry’s impact on people and places, 2016.

Building effective approaches to retail training and advancement

We believe that entry-level retail jobs, which are widely accessible, can be a first step up the career ladder—but only if they are accompanied by effective training and credentials that are recognized throughout the sector and beyond.

- **Innovate new approaches to training.** To date, Walmart and the Walmart Foundation have provided funding for the training of over 8,000 prospective and current retail workers—supporting innovative and new approaches to training that we believe are crucial for enhancing economic mobility of workers. For example, according to a report from Brookings Institution, one in 10 working-age adults in the U.S. is held back from advancing to better-paid jobs by limited language skills. In FY2017, the Walmart Foundation made a grant of more than \$1.8 million to the National Immigration Forum (NIF) to support the development of a scalable English-language learning program that can be used throughout the sector for frontline workers. To date, 17 percent of participants have been promoted after just 12 weeks of training, and 80 percent have improved their English proficiency—compared to the 2007 national average of 39 percent for adults enrolled in ESL courses.
- **Support workforce investment boards.** We are also encouraging workforce development organizations that have strong track records of placing and advancing workers to focus more deliberately on the retail sector. For example, the Walmart Foundation's \$10.9 million grant to the Chicago Cook Workforce Partnership, one of the nation's largest Workforce Investment Boards (WIBs), distributed 10 re-grants to leading WIBs across the U.S. to design career pathways for retail. To date, the participating WIBs have provided retail training and support services to over 28,000 prospective and current retail workers. The Northwest Indiana WIB even opened a Retail Training Lab in a local mall so that job seekers can take classes that cover the interpersonal and technical skills necessary to create an overall outstanding customer experience.



Engaging retail employers to improve the workforce development system

Walmart believes a stronger, more highly skilled workforce benefits the entire retail sector. We're working with other retail employers to improve the system overall by designing jobs, practices and programs that support stability and mobility for the workforce. We believe these improvements will lead to greater opportunity for workers and stronger communities, as well as driving positive returns for the sector. Our work in this area includes the following:

- **Develop and share best practices.** We believe that workforce development can happen faster when organizations and employers have a way to learn from one another. Walmart is a founding member of 100,000 Opportunities Corporate Coalition, a group of more than 40 employers committed to developing and spreading hiring practices that lead to better outcomes for youth who are out of school and seeking to enter the workforce. Building on this experience, Walmart and Rockefeller Foundation funded FSG to create a community of companies interested in identifying best practices and proving the business case for hiring and developing individuals who may face barriers to economic opportunity.
- **Improve worker assessment, training and evaluation.** In Dallas, Walmart has funded Innovate+Educate (I+E), an initiative aimed at helping employers improve the way they assess, train, and evaluate workers. Specifically, I+E is working with Workforce Solutions Greater Dallas (the Workforce Investment Board for Dallas County), community colleges, NGOs and employers to assess front-line workers and provide training that increases the opportunities for advancement. Participating employers will track candidates to measure the effectiveness of the program.



Walmart's Global Women's Economic Empowerment (WEE) Initiative: 5 Year Commitment to Empower Women

In 2011, Walmart and the Walmart Foundation announced a set of goals to help transform the lives of women and their families. We set out to increase sourcing from women-owned businesses (WOBs), empower 1 million women through training and promote diversity and inclusion in our supply chain.

Since its launch, **Walmart and the Walmart Foundation** have awarded **\$139 million** in grants to support women's economic empowerment.

SOURCING

Walmart has sourced **\$21.2 billion** in products and services from WOBs for Walmart U.S. operations over five years



Walmart supported the creation of a Women-Owned logo that can be used by the Women's Business Enterprise National Council (WBENC) or WeConnect International certified suppliers at any retailer, to highlight their products.

TRAINING



Walmart and the Walmart Foundation supported training programs for more than **1 million** women worldwide.

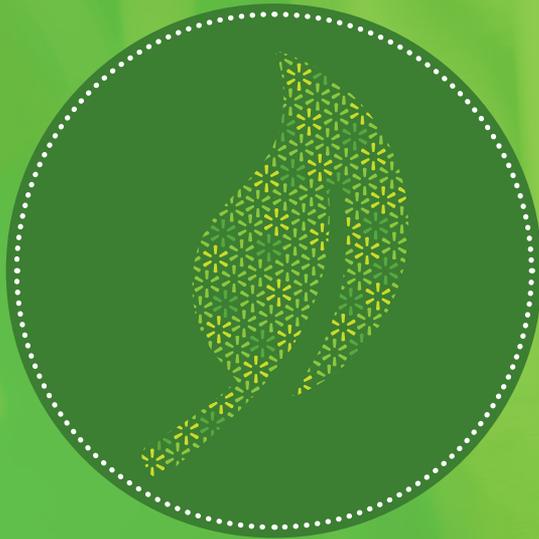
	ACTUALS	FUNDED
Farm	475,405	611,464
Factory	128,519	120,130
Retail Training	89,329	148,928
U.S.	249,886	276,217
TOTALS	943,139	1,156,739

DIVERSITY & INCLUSION

Walmart worked to increase diversity and inclusion in our supply chain. We have seen improvement in the diverse makeup of the professional service teams that support Walmart since we began asking them to track.



Learn more about our Global Women's Economic Empowerment initiatives on corporate.walmart.com/womensempowerment.



Sustainability

Enhancing sustainability of operations and value chains

Walmart collaborates with suppliers, customers, nonprofit organizations and others to enhance the environmental and social sustainability of global value chains. We're bringing our relevant strengths to bear, including customer and supplier relationships, purchase orders, philanthropy, our voice, physical assets and capabilities in sourcing, logistics, technology, operations and marketing, to name a few, to help reshape systems for the better.

Our priorities include:

- Reducing energy intensity and emissions in our operations
- Eliminating waste in our operations
- Improving sustainability in global value chains
 - Supporting measurement and transparency in value chains
 - Reducing environmental impacts in value chains
 - Providing affordable, healthier and safer food and products
 - Supporting the dignity of workers everywhere

The following pages provide examples of some of our work within these priorities. To learn more about enhancing sustainability in global value chains see corporate.walmart.com/2017GRR.



Reducing energy intensity and emissions

Walmart's work to reduce emissions, explained

Since 2005, we've been working toward a goal of operating with **100% renewable energy**

But we know that we can also help **promote energy efficiency** across our global supply chain, and our work to reduce emissions can also help us to reduce operational cost.

That's why we became the **first retailer** with a goal approved by the Science Based Targets initiative, which helps companies to be in line with the level of reduction needed to help prevent the worst impacts of climate change.



SO WHAT'S WALMART'S PLAN, EXACTLY?

By the year **2025** we aim to reduce emissions in our own operations by **18%**



- Installing more efficient lighting in our stores and parking lots
- Powering 50 percent of our operations with renewable energy by 2025
- Upgrading our refrigeration, heating and cooling systems
- Continuing to improve fleet technology

WE'LL WORK WITH OUR SUPPLIERS TO REDUCE CO2 EMISSIONS IN OUR VALUE CHAINS BY 1 GIGATON BETWEEN 2015 AND 2030. THAT'S EQUIVALENT TO:

Emissions from **211 million** average passenger vehicles in a year, more than all the cars in the U.S.



Almost **3 times** the size of California's emissions in 1 year



100 million homes average energy use in 1 year





Eliminating waste in our operations

Ten years ago, Walmart began to look at the interplay of waste and usable materials and to seriously examine our own operations, looking for ways to reduce waste of all kinds. Today we have a deeper understanding of the challenges and are engaging suppliers and customers in pursuit of what we now call the circular economy, in which products are made, consumed and recycled in a continuous loop. Of course, not everything can be recycled at the same level. In these instances we look to the Ellen McArthur Foundation approach of maintaining materials at their best and longest use. By the end of FY2017, we diverted from landfills 82 percent of unsold products and packaging in the U.S. and 77 percent* globally in our facilities.

Today, we have even higher aspirations for zero waste. Specifically, we are aiming to:

1. Achieve Zero Waste** in our own operations in the U.S., Canada, the U.K. and Japan by 2025.
2. Continue working to divert waste in all markets, moving as fast as infrastructure and best practices allow.

While we have made progress, achieving these goals will require even more from our associates and our operations. We will also continue to collaborate with customers, suppliers, other retailers, nonprofit organizations and governments to improve the broader ecosystem of waste prevention, reuse and recycling. In many places around the world, for example, there is simply not adequate recycling infrastructure and even where it exists, recycling may not be financially viable. We aim to catalyze the development of system-level solutions for reuse and recycling across the sector and throughout our supply chains—not just at Walmart. Our work with suppliers can be found in the product value chain reducing environmental impacts section in the full report.

Our strategies include:

- Measuring waste in our operations
- Eliminating waste from non-food products and packaging
- Eliminating food waste in our operations
- Improving water stewardship in our operations



To learn more about eliminating waste in our operations, please see our full report at corporate.walmart.com/2017GRR.

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

**Meeting or exceeding Zero Waste International Alliance business recognition program requirements, which include adoption of ZWIA definition of Zero Waste and achievement of 90 percent or more diversion of all discarded resources from landfills, incinerators and the environment.



Improving sustainability in global value chains

In addition to enhancing the sustainability of our retail operations, we work with others to help address environmental and social issues in our product supply chains. In fact, research by The Sustainability Consortium (TSC) “shows that, with most products, the most significant environmental and social hotspots exist largely upstream from the manufacturer in their supply chain or downstream from consumer use and product disposal.” We aspire to enhance product supply chain sustainability in collaboration with suppliers, NGOs, customers and others.

To focus our efforts on the most important areas, we use various tools to gain greater visibility into the world’s vast network of product supply chains. Chief among them is the Sustainability Index, which was developed in collaboration with suppliers, leading NGOs and the scientists at TSC. The Index provides a snapshot of the social and environmental practices and outcomes in a broad array of products and supply chains.

The Sustainability Index gathers and analyzes information across a product’s life cycle—from sourcing, manufacturing and transporting, to selling, customer usage and end of use. TSC research first identifies the materially significant environmental and social issues—or “hotspots”—across the product life cycle. At the same time, “improvement opportunities” are identified to address those hotspots. The supply chain hotspots and improvement opportunities are then summarized in a category sustainability profile. Next, key performance indicators (KPIs) are developed in the form of survey questions that are used to measure sustainability performance for a particular product category. Suppliers then respond to the surveys for the specific product categories they supply, each covering up to 15 issues that TSC has deemed critical. The surveys paint a picture of the sustainability challenges down to the category level for all kinds of items, from tomatoes to toys. We use the data from the surveys to identify key social and environmental hot spots and to set an agenda as we work with our suppliers to drive continuous improvement. We also use it to identify opportunities for special attention, such as fertilizer optimization or improved animal welfare, to help drive more substantial change quickly.

Finally, the survey data is integrated into decision-making tools throughout the business. The use of the Sustainability Index also sets the expectation that Walmart isn’t looking for change at the margins with a few niche products. We’re trying to raise the bar for all items we stock.



In FY2017 we reached our goal, set in 2012, of buying **70 percent** of our U.S. goods from suppliers that participate in the Sustainability Index, in categories where the Index is available.

FY2017 INDEX PARTICIPATION

+60 percent
increase in number of
suppliers responding



Across
58 Walmart departments and
74 Sam’s Club categories



+2,000
suppliers completing
5,300
surveys



Well over
300 of our buyers now have
scorecards for their suppliers

Sustainable value chains: example initiatives

Walmart is pursuing with suppliers and others

PRODUCT CATEGORIES	 Measurement and transparency	 Environmental impacts	 Affordable, healthier and safer food and products	 Dignity of workers
Produce	<ul style="list-style-type: none"> • Blockchain pilot • CDP Supply Chain 	<ul style="list-style-type: none"> • Upstream food waste • Downstream food waste • Sustainable packaging design and recycling 	<ul style="list-style-type: none"> • Making healthier options more affordable • Making the healthier choice easier • Providing nutrition education • Promoting food safety 	<ul style="list-style-type: none"> • Promoting responsible sourcing • Supporting improvement of labor conditions in produce • Training farmers
Meat & Dairy	<ul style="list-style-type: none"> • Brazilian beef monitoring system 	<ul style="list-style-type: none"> • Sustainable beef & dairy • Beef deforestation 	<ul style="list-style-type: none"> • Animal Welfare • Responsible antibiotic use 	
Seafood		<ul style="list-style-type: none"> • Sustainable seafood 		<ul style="list-style-type: none"> • Addressing human trafficking in seafood
Packaged Food	<ul style="list-style-type: none"> • Great For You labeling 	<ul style="list-style-type: none"> • Palm oil deforestation • Soy deforestation • Fertilizer optimization • Optimizing packaging • Sourcing sustainability • Supporting customer-friendly recycling labeling 	<ul style="list-style-type: none"> • Reformulating food 	
Consumables	<ul style="list-style-type: none"> • Chemical Ingredient Disclosure 	<ul style="list-style-type: none"> • Pulp & paper deforestation • Palm oil deforestation • Closed Loop Fund • Optimizing packaging 	<ul style="list-style-type: none"> • Sustainable chemistry 	
Apparel		<ul style="list-style-type: none"> • Factory energy efficiency • Energy and water use in apparel mills 		<ul style="list-style-type: none"> • Promoting safer working conditions in the ready-made garment industry
General Merchandise		<ul style="list-style-type: none"> • Product efficiency and end-of-life • Pulp & paper deforestation • Fertilizer optimization • Optimizing packaging • Sourcing sustainability • Supporting customer-friendly recycling labeling 		



To learn more about these projects and others, see our full report at corporate.walmart.com/2017GRR.

The sustainability index: How big data leads to more sustainable products

1

Use the Sustainability Index

To map our product chains and gather information around crucial inputs, outputs, and processes throughout the value chain.



2

Analyze the information

to identify areas of opportunity with various stakeholders throughout the value chain

SAMPLE REPORTS INCLUDE:



Category evaluation: heat maps



Supplier evaluation: scorecard



Monitor impact areas: dashboards

3

Engage suppliers and other stakeholders

to collaborate on initiatives to improve priority areas like the climate smart agriculture or priority chemicals





Community

Strengthening local communities

Walmart collaborates with charitable organizations and aims to enable the engagement of our 2.4 million associates in 10,000 communities worldwide to serve those local communities in ways that go beyond our retail mission. We're drawing on our expertise in logistics and other areas and the talents and passions of our associates to strengthen the charitable meal system, provide emergency relief in the face of disaster and improve disaster preparedness in our communities around the world.

We have three main priorities:

- Relieving hunger
- Enhancing resilience in the face of disasters
- Developing local communities

The following pages provide examples of some of our work within these priorities. To learn more about strengthening local communities see corporate.walmart.com/2027GRR.



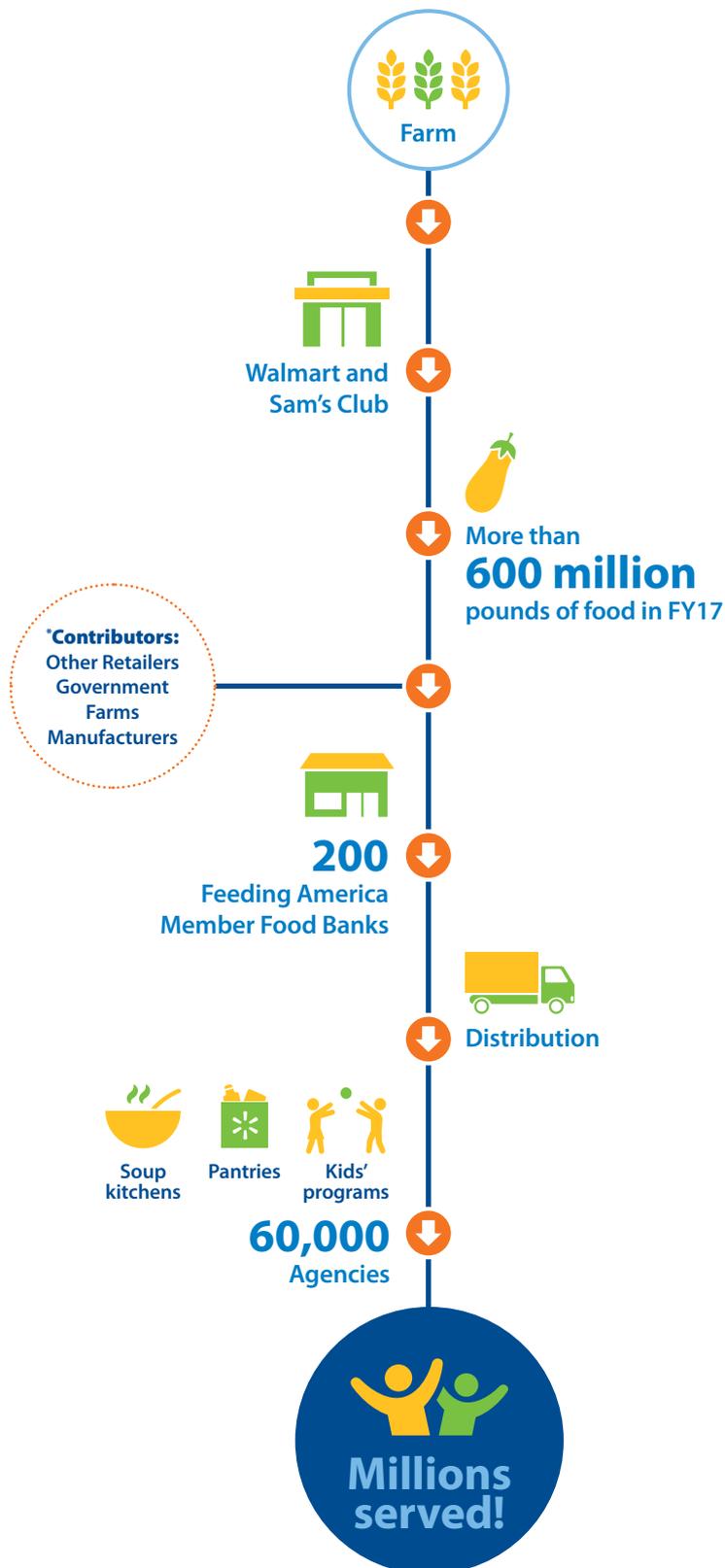
Relieving Hunger: Strengthening the charitable meal system

We at Walmart are passionate about bringing affordable food to the world, which we do through our stores and e-commerce. We are also passionate about fighting hunger and are determined to help break down barriers that prevent families from accessing food on a regular, predictable basis. As part of that effort, in 2014, Walmart and the Walmart Foundation committed to providing 4 billion meals over five years. We're working toward this goal through a combination of food donations from our Walmart stores, Sam's Club locations and distribution centers as well as through grants to charitable organizations and hunger relief programs. This approach deepens local connections with communities, allows for swift response in emergencies and strengthens the ability to meet long-term needs. Since FY2016, Walmart and the Walmart Foundation have donated approximately \$100 million to address hunger, including over \$50 million in FY2017.

Providing meals through food donations

We are more than halfway toward meeting our global goal of providing 4 billion meals to those who need them. We have supported 2.4 billion meals to date, including 1.2 billion pounds of food from Walmart facilities (see Donating unsold food to the charitable system, pg. 76), including Walmart's FY2017 donation of more than 600 million pounds of food.

How food gets to people who need it in the U.S.



*Feeding America works with multiple contributors, in addition to Walmart and Sam's Club, including other retailers, farmers, consumer package goods companies and the government allowing them to serve more than 46 million individuals.

Relieving hunger globally

Walmart donates unsold food from its stores and distribution centers around the world. In FY2017, donations to the charitable meal system included the following:

Brazil:

Walmart stores donated more than **400,000** pounds of food benefiting more than **300,000** people

Canada:

Walmart Canada donated **2.5 million+** pounds of food to food banks

U.S.:

Walmart donated more than **600 million** pounds of food to organizations that distribute it to people in need

Central America:

Walmart Central America donated more than **3,700** tons of food to **10** food banks, serving over **107,475** people and children every day

Chile:

Walmart Chile donated **48** tons of food to Chile's first food bank benefiting **137,753** people

Strengthening the capacity of hunger relief programs

Walmart and the Walmart Foundation are working to improve access to charitable meals by helping to improve the infrastructure and logistics of organizations working on the front lines of charitable food provision.

- **Investing globally.** In FY2017, the Walmart Foundation invested in Food Banks Canada (FBC), a charitable organization dedicated to helping Canadians living with food insecurity. A \$2 million grant from the Walmart Foundation will help FBC build capacity and increase the network's ability to secure more food through the purchase of refrigerated trucks, commercial refrigerators/freezers, shelving, and other equipment.



Walmart and the Walmart Foundation have invested over **\$100 million** in Feeding America since 2005



- **Helping relieve hunger in the U.S.** Walmart and the Walmart Foundation have invested over \$100 million in Feeding America since 2005 to provide charitable meals, infrastructure and other programs. Additionally, over the years the Walmart Foundation has provided funding to secure nearly 200 trucks and over 50 retail-store donation coordinators to manage and distribute donated food. Walmart also works to raise awareness of the issue of hunger by engaging our associates, suppliers and customers in cause marketing programs. In the U.S., our stores and clubs teamed up with our customers and participating suppliers to support Feeding America through our "Fight Hunger. Spark Change." campaign, raising more than \$17 million in funds in FY2017.
- **Volunteering to help.** Our associates around the world are dedicated to addressing hunger. In the U.S. alone, our associates volunteered more than 110,000 hours toward hunger relief efforts in FY2017.

Collecting and distributing food is only part of the answer. We are working around the world to help provide greater access to charitable meals by extending their reach into settings such as schools, senior homes, recreational facilities and mobile kitchens. As part of these efforts we place a special focus on supporting programs that feed children, providing nutritious breakfasts, after-school and summer meals. **To learn more about our work to relieve hunger by extending the reach of hunger relief programs see our full GRR.**



To learn more about our hunger relief efforts, see our full report at corporate.walmart.com/2017GRR.





Enhancing resilience in the face of disasters: Supporting individuals and communities hit by disaster

While disaster response is complex, our approach is simple. Walmart and the Walmart Foundation focus 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.

- **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 300 family emergency-relief packages, including blankets raincoats, flashlights, towels and other supplies to the area. In August, Walmart China and the Walmart Foundation donated 2 million RMB to assist families affected by floods.
- **Argentina.** When floods in Argentina affected 25,000 people in five provinces, nine Walmart Argentina Stores and a distribution center donated 1,800 containers of milk, 11,500 liters of water and 4,000 kilograms of food to help those impacted.



To learn more about our other enhanced resilience in the face of disaster strategies, see our full report at corporate.walmart.com/2017GRR.



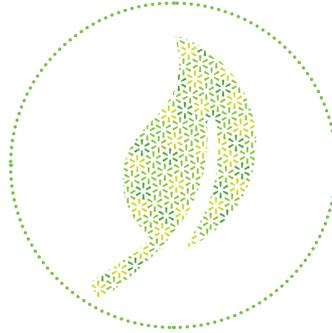
Global Giving

Drawing on Walmart business strengths — such as reach, relationships, associates, logistics, technology, products and stores — helps enable us to address some of the world's toughest social and environmental challenges. Philanthropy enables Walmart to go even further. We believe corporate philanthropists can play an important role in social change because of our ability to pursue philanthropy alongside business initiatives that address societal issues.





Explore the full Global Responsibility Report



We're committed to making a real difference by working to create economic opportunity, enhance sustainability of our operations as well as the systems we operate in, and strengthen local communities. Walmart seeks to create value for stakeholders across business and society, because shared value enhances the quality and viability of solutions. The previous pages were a few examples of the work of Walmart and the Walmart Foundation.



To learn more about these initiatives and other, read our full Global Responsibility Report by visiting corporate.walmart.com/2017GRR



mohawk windpower 
mohawkconnects.com/environment

Wal-Mart Stores, Inc. (NYSE: WMT)
702 S.W. 8th Street
Bentonville, Arkansas 72716 USA
479-273-4000
walmart.com