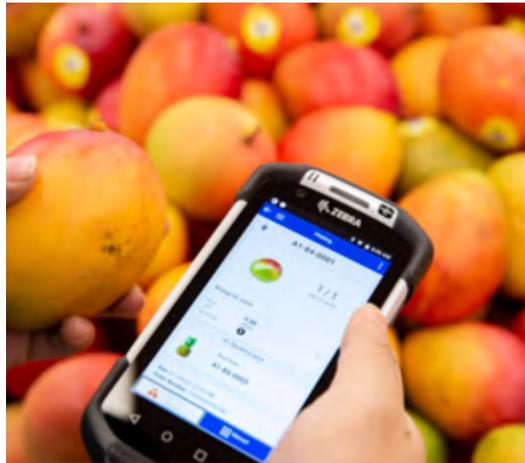
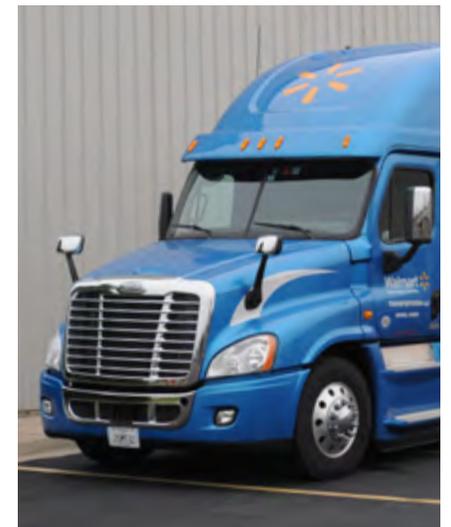
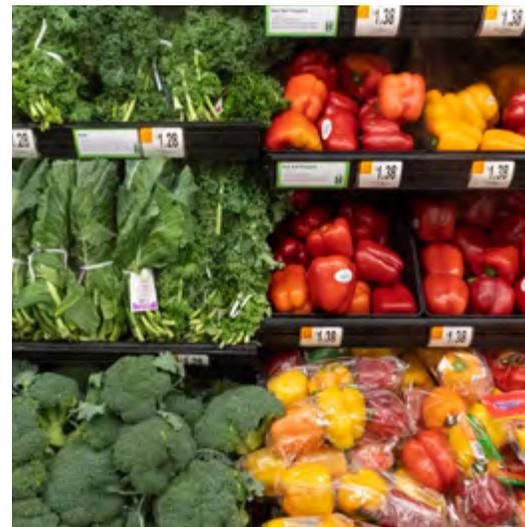




# Walmart

## 2020 Environmental, Social and Governance Report



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## About this report

Walmart has reported on a wide range of ESG topics since 2005.

Our reporting is guided by frameworks such as the Global Reporting Initiative (GRI) Standards, the United Nations (U.N.) Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). We also participate in external programs such as CDP, a global environmental disclosure system.

This report covers Walmart’s activities for the fiscal year ended January 31, 2020 (FY2020), unless otherwise noted. Calendar years (CY) are marked as such or written in a four-digit format. “Walmart” means Walmart Inc., a Delaware corporation and its consolidated subsidiaries, but except for financial data, otherwise excludes all acquired

eCommerce subsidiaries, businesses, platforms and/or marketplaces, unless otherwise noted. This report also covers some activities of the Walmart Foundation, a separately incorporated Delaware charitable private foundation.

We did not seek, nor was there, external assurance from third parties with respect to most of the information in this report; exceptions are noted.

## Forward-looking statements

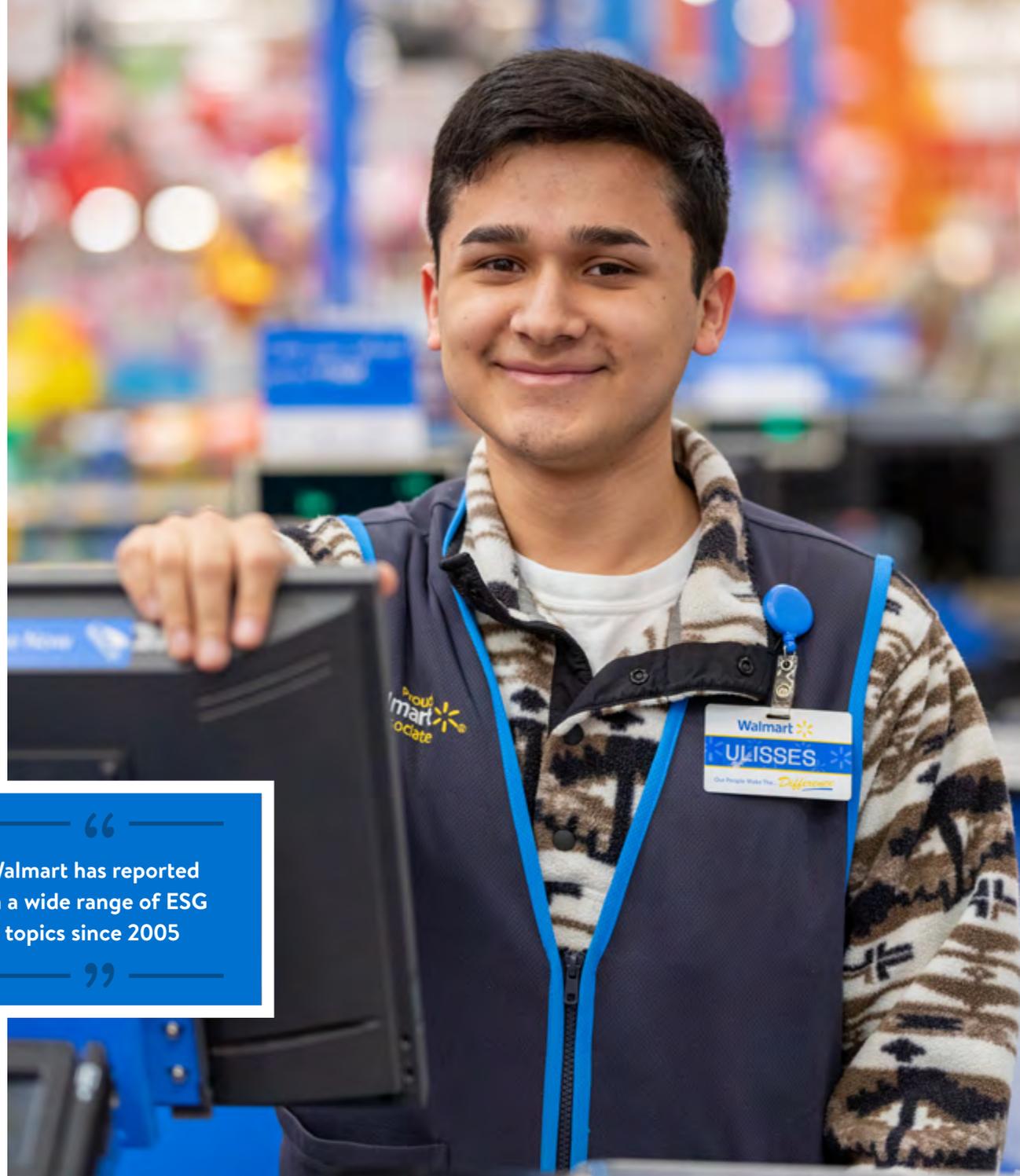
This report contains certain forward-looking statements based on Walmart management’s current assumptions and expectations, including statements regarding our ESG targets, goals, commitments

and programs and other business plans, initiatives and objectives. These statements are typically accompanied by the words “aim,” “hope,” “believe,” “estimate,” “plan,” “aspire” or similar words. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties and factors. Such risks, uncertainties and factors include the risk factors discussed in Item 1A of our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (“SEC”), as

well as, with respect to our ESG targets, goals, and commitments outlined in this report or elsewhere, the challenges and assumptions identified in this report under the heading **Challenges to achieving aspirational goals, commitments & targets** ✨ and other assumptions, risks, uncertainties and factors identified in this report. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. Walmart cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

## Note on materiality

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



“  
Walmart has reported  
on a wide range of ESG  
topics since 2005  
”

# Walmart at a glance



Pickup

**\$524 billion**

FY2020 total revenue (+1.9% vs. FY2019)



**\$25 billion**

operating cash flow



**+0.4%**  
adjusted EPS<sup>1</sup>



**~37%**  
Walmart U.S. eCommerce  
sales growth



**AA**  
credit rating<sup>2</sup>

# Walmart's corporate purpose

Walmart's purpose is to save people money and help them live better. We provide convenient access to high-quality, affordable food and other essential products and services to millions of people each week. In doing so, we aim to create shared value for our stakeholders.

## Our business

- **Busy families:** budget-sensitive and time-sensitive
- **Omni-channel:** stores and clubs combined seamlessly with eCommerce
- **Segments:** Walmart U.S., Sam's Club and Walmart International (consisting of operations in Canada, China, India, Mexico, the United Kingdom and 21 other countries)
- **Retail categories:** grocery (fresh, frozen, dry), consumables, pharmacy, optical and general merchandise
- **B2C services:** including health and wellness and financial services
- **B2B services:** including advertising and logistics

Helping people around the world save money and live better

## Our values

Respect for the individual

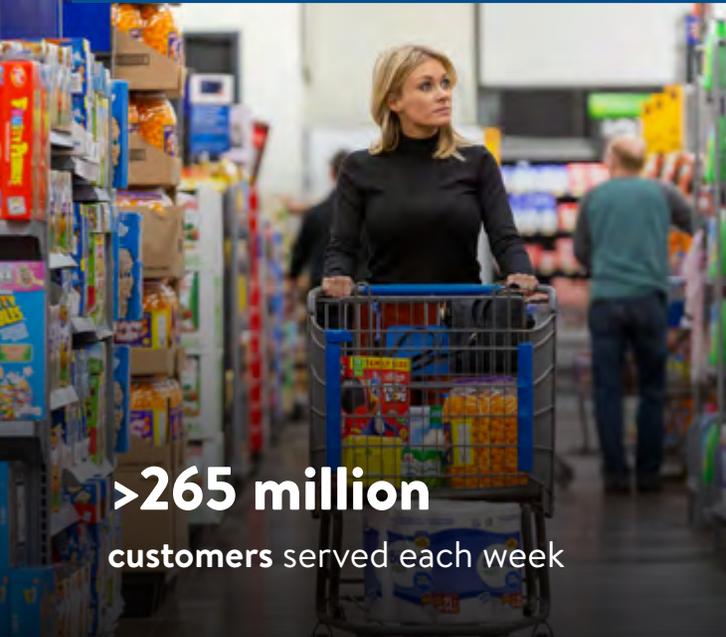
Service to the customer

Strive for excellence

Act with integrity



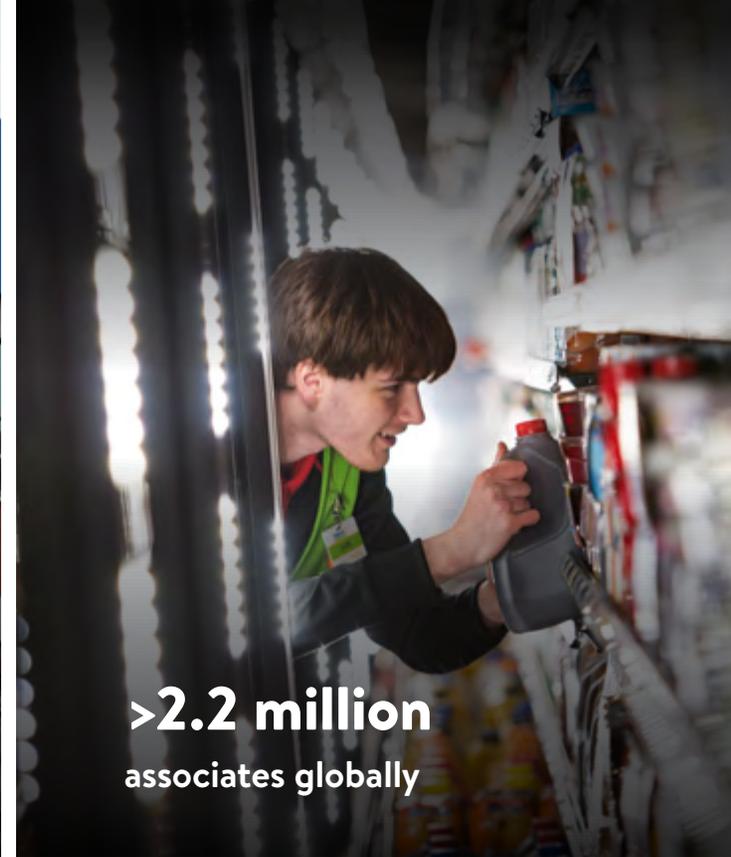
# Stakeholders served



**>265 million**  
customers served each week



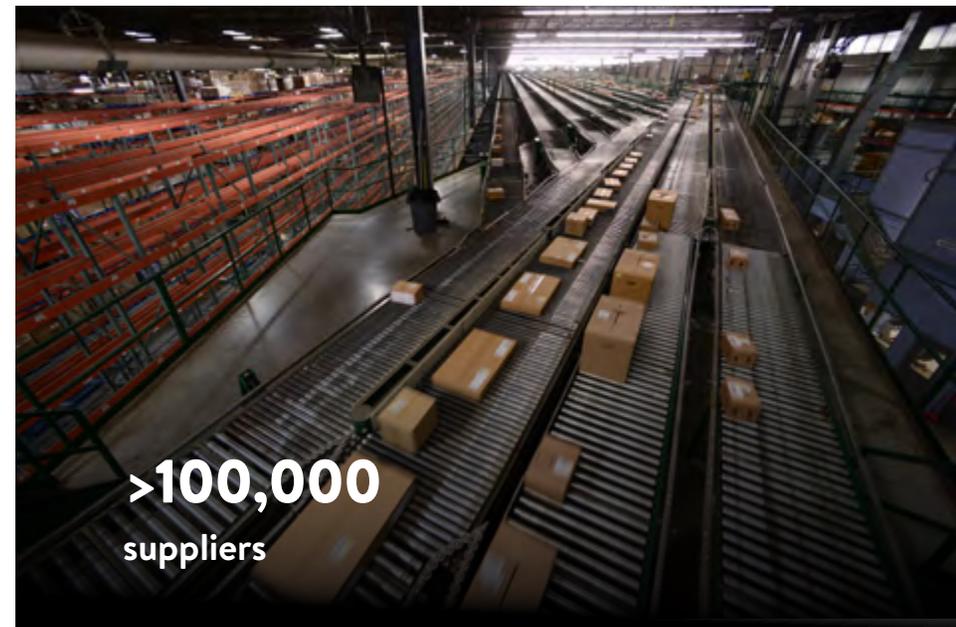
**~11,500 stores**  
in communities in  
27 countries



**>2.2 million**  
associates globally



**~31%**  
institutional ownership representing  
millions of individual investors



**>100,000**  
suppliers

# Our ecosystem as of the end of FY2020

\* Walmart partnership or joint venture



# Walmart's omni-channel transformation

We save people money and help them live a better life. Delivering a seamless omni-channel experience in stores and online is key. To succeed, we are focused on making every day easier for busy families, developing our associates and transforming how we work to embrace digital technology and approaches, operating sustainably and with discipline, and making trust a competitive advantage.

## Walmart's plan to win by accelerating innovation



**Make every day easier for busy families**

**Price and value**

**Assortment**

**Experience**



**Develop our associates, sharpen our culture & become digital**

**Our people and culture**

- Values-based
- Opportunity-oriented
- Inclusive
- Performance-driven

**Digital**

- Product mindset
- Data-driven decisions
- Consumer-grade
- Modern workspace



**Operate sustainably & with discipline**

**Strong, efficient growth**

**Consistent operating discipline**

**Strategic capital allocation**



**Make trust a competitive advantage**

**Customer experience**

**Customer safety**

**Customer values**



**People-led, tech-empowered company**

**Mutually reinforcing business(es)**

**Agile, problem-solving culture**

**Focus on responsible use of technology**

## Key enablers



**Our people**



**Low cost structure**



**Technology, data and analytics**



**Sustainable sourcing and operations**



**Supply chain design and innovation**



**Ecosystem thinking and partnerships**

# Creating shared value

We believe we maximize value for shareholders by serving all stakeholders: delivering value to our customers, creating economic opportunity for associates and suppliers, strengthening local communities, and enhancing the environmental and social sustainability of our business and product supply chains.



## Customers

Convenient access to affordable food and other essential products and services

**>265M**

customers served per week

**>6,100**

pickup and delivery locations globally

**75% of U.S. population**

has access to NextDay Delivery

**Walmart Health**

first two Walmart Health Clinics in Georgia



## Associates

Opportunity for good jobs and advancement

**>2.2M**

associates globally

**>1.1M**

associate trainings in Walmart Academy in FY2020

**Live Better U**

debt-free college degree program for \$1 a day

**100 score**

from the Human Rights Campaign Corporate Equality Index



## Communities

Resources to build stronger, more inclusive communities

**~11.5K**

stores in communities in 27 countries

**\$1.4B**

cash and in-kind donations to communities in FY2020

**>630K**

hours volunteered by U.S. associates in FY2020

**>585M**

pounds of food donated in the U.S. alone during FY2020



## Shareholders

Superior long-term returns through financial and ESG leadership

**~31%**

institutional ownership representing millions of individual investors

**\$11.8B**

returned to shareholders through dividends and share repurchases

**22**

consecutive quarters of growth for Walmart U.S.

**22%**

stock appreciation in FY2020



## Suppliers

Access to markets, growth opportunities and ability to accelerate supply chain sustainability

**>100K**

suppliers

**>\$34.4B**

spent with women-owned businesses in the past eight years

**>96K**

smallholder farmers in India supported by the Walmart Foundation

**>50K**

Indian small businesses to be trained by Walmart Vriddhi



## Planet

Leadership on renewable energy, waste and sustainability

**'A List'**

placement from CDP for climate action

**>1.4M**

acres conserved by Acres for America program

**230 million metric tons (MMT)**

of avoided emissions (CO<sub>2</sub>e) reported by suppliers since 2017<sup>3</sup>

# A message from our Chief Executive Officer

Business as usual. There is no such thing at Walmart. Not a day goes by that we're not asking ourselves how we can do more — do better. The health crisis that spread so quickly throughout our world this year has been no exception. Followed by the senseless and tragic murder of George Floyd, our nation has questioned where we go from here. Collectively, we've agreed: We have work to do.

While this report covers FY2020, because of this year's unexpected headwinds, I'm just sitting down to write this letter in the middle of FY2021. The past year — and especially the past six months — pushed our company in ways we never could have imagined, and I'm fortunate to work with a capable and resilient team that is rising to the challenge. In every decision we've made, we've worked to prioritize the safety of our associates and customers. Reflecting back, one thing is clear: We're not just a retailer. This team of ours — more than 2.2 million strong — is special. We're a lot like a family. And when we hurt, we care for each other. We care for our customers. And we care for our communities.

There are a lot of stereotypes out there about Walmart. It's no secret to us that we have critics who assume we're doing business at the expense of people and the planet — that we're all talk. The fact is, though, we've been working hard to use our scale to create positive change for a long time now. Issues like sustainability and opportunity don't take a backseat. For us, our founder's mission still guides the way. Sam set out to save people money so that they could live better lives. We learned that we simply can't do that if our people and the planet aren't nurtured for the long run. Short-termism has no place in our plan.

That's why we've made serious investments over the years — some of which have raised an eyebrow or two. We started by investing in wages, benefits and training for U.S. hourly associates. We've added more benefits: A \$1-a-day college program, advanced job training, paid time off, paid family leave and adoption coverage. These investments are empowering our associates to learn. To grow. To serve customers like never before. To prepare to lead this company into the next generation of retail.

There's been a lot of talk recently about the purpose of business in society. While there's much left to debate, we know this for certain: It's time for businesses to take the lead working together and with government and NGOs on serious issues like workforce opportunity, racial equity, climate, and sustainable, responsible supply chains. Consumers are keeping score. They no longer look the other way, and we are committed to do right by our communities. Together, we have an opportunity to shape the future at a pivotal moment. And the biggest outcome for thinking and behaving this way is that it results in a better performing business that benefits all of our stakeholders.

As we continue to manage a global health crisis and grieve the acts of racial injustice in our country, we're pausing to think about where we go from here. Business as usual has changed for the world. So, how can we all use the lessons learned to shape a more sustainable and equitable future? And how can we do it with the speed with which we had to this year to confront the challenges? Our ability to create change at scale wouldn't be possible without our customers, investors, associates, suppliers and communities — all



putting their trust in us over the years. Thank you for challenging us. For questioning us. For pushing us to innovate and improve.

Our history is a mosaic of challenges, tests, explorations, failures and many great successes. While the world has felt quite turbulent recently, we have an opportunity to turn the tide of history — and take the best from this time. In the shadow of these tough months, we're more motivated than ever to make meaningful environmental, social and economic progress — and we're eager for others to join us. Our world depends on it.

**Doug McMillon**  
President and Chief Executive Officer  
Walmart Inc.

# A message from our Chief Sustainability Officer

As we go to press with our 2020 ESG Report, the world is grappling with COVID-19. Because FY2020 ended about six weeks before the disease was declared a global pandemic, it does not appear in this report — yet the pandemic as well as the sharpening focus on racial inequity in the wake of George Floyd’s death underscores the need for collective, transformative action on the world’s most pressing social and environmental issues.

Walmart takes a shared value, whole-system approach to ESG. Our ESG initiatives aim to go beyond mitigating business risk. We aim to create value for stakeholders by addressing societal issues through business. We also seek, in collaboration with others, to transform underlying systems (such as retail workforce development and food industry supply chains) for long-term social, environmental and economic sustainability.

To help investors and other stakeholders separate signal from noise in assessing good ESG practices, we have attempted to describe our aspirations, strategies, practices, challenges and key progress indicators for relevant ESG issues. In the interest of keeping this report to a reasonable length, we provide links to additional material posted elsewhere on selected topics.

FY2020 ESG highlights included:

**Retail Opportunity.** FY2020 marked the fifth year of our efforts to strengthen workforce development practices that advance stability and mobility of people in frontline retail jobs. Over this time period, Walmart strengthened career paths for our own associates, raised starting wages more than 50%, expanded benefits, launched the Walmart Academy (which has conducted more than 1.8 million associate trainings since 2016), and launched Live Better U —

a pathway to earn a college degree for \$1 a day — with correlating positive results for associates and our business performance. In parallel, Walmart and the Walmart Foundation invested more than \$130 million in Retail Opportunity grants, including funding to establish a community of more than 50 nonprofit organizations to share learnings and insight on their respective efforts to make the case for investing in frontline workforce, develop and pilot new approaches to training and advancement of incumbent workers, and engage employers and others in frontline workforce development.

**Climate.** Walmart made CDP’s 2019 ‘A List’ for climate action. We continue our efforts to make progress toward our science-based targets in our own operations (including sourcing an estimated 29% of our electricity needs from renewable energy) and our efforts to create a broad movement across the consumer sector. More than 2,300 suppliers have signed on to Project Gigaton™. Since 2017, suppliers have reported a cumulative 230 million metric tons (MMT) of avoided emissions.

**Sustainable product supply chains.** Walmart made progress across categories on sustainability initiatives related to climate, waste (including becoming a partner of the Ellen MacArthur Foundation and launching our Sustainable Packaging Playbook), nature (advancing use of certifications and engaging in coalitions such as Business for Nature), human rights (for example, responsible recruitment efforts) and economic opportunity (for example, smallholder market access in India and Mexico).

**Community cohesion.** In addition to serving more than 265 million customers per week and providing jobs to more than 2.2 million people, we provided cash and



in-kind donations of more than \$1.4 billion to projects that create opportunity, enhance sustainability and strengthen communities.

Throughout FY2020, Walmart associates were engaged with customers, suppliers, NGOs, government leaders and multilateral agencies in planning for what should have been a “super year” — and inflection point — a year we all hoped would accelerate progress on climate, nature, and equity.

While the pandemic may have delayed progress and, in some ways, compromised the world’s capacity for positive action, it has also prompted people everywhere to work in new ways and consider how small but universal changes in behavior can produce large-scale, positive effects. We are all invited to consider how we can bring new unity of purpose, innovation and collective action to global challenges — an inflection point, still.

We appreciate your collaboration in helping us meet the challenges of our time and your engagement in our business. As always, we welcome your feedback.

**Kathleen McLaughlin**  
Chief Sustainability Officer  
Walmart Inc.



“  
Business exists to serve society  
”

## Our approach to ESG: Generating value for stakeholders

In 2019, Business Roundtable (BRT) in the U.S. (which our CEO, Doug McMillon, now chairs) issued a [Statement on the Purpose of a Corporation](#), reinforcing the fundamental commitment of member companies to operate for the benefit of all stakeholders.

The BRT statement aligns with Walmart’s principle of **shared value**. We maximize value for shareholders by serving all stakeholders: delivering affordable food and other essential products and services to customers, providing good jobs and development opportunities for our associates, providing market access and growth opportunities to suppliers, strengthening the communities where we live and operate and leading on climate, waste and other sustainability issues affecting the planet.

Good environmental, social and governance (ESG) practices go hand in hand with financial value creation by enhancing customer trust, securing

future supply, catalyzing new product lines, increasing productivity and reducing costs.

In other words, business exists to serve society: business strengthens society, and at the same time serving society strengthens business.

### Salient issues

Walmart prioritizes ESG issues based on relevance to our company’s purpose, our customers and other stakeholders as well as Walmart’s ability to effect change with respect to those issues. As set out in this report, the most salient ESG issues for Walmart include economic opportunity for our associates, environmental and social sustainability of product supply chains, and climate change, as well as topics like supporting communities (including response to disasters) and maintaining good governance.

### Aiming to transform systems

To maximize shared value, we aim to deliver a customer-centric, omni-channel experience while impacting the systems relevant to our business, such as food supply chains and retail workforce development. We aspire to reshape such systems for sustainability in terms of social, environmental and economic outcomes. This report provides examples of how Walmart teams collaborate with suppliers, non-governmental organizations (NGOs), government agencies and others in collective action in an effort to transform systems: for example, accelerating the transition to renewable energy to lower greenhouse gas (GHG) emissions, changing worker recruitment practices in southeast Asia to help eradicate forced labor and encouraging workforce development innovations to upskill and advance frontline workers.

## Business integration

We seek to bring about positive change in society first and foremost by managing our business in a way that creates shared value. That's why we work to integrate ESG aspirations and initiatives into our business — involving our planning and performance management processes, role descriptions, operating policies and procedures, systems and tools. For example, our Real Estate teams advance our renewable energy objectives. Our Operators and People teams shape our associate proposition, including upskilling and advancement strategies.

## Scaling impact

Walmart's reach and capabilities enable us to help scale environmental impact. For example, through Project Gigaton, we have engaged thousands of suppliers as well as leading environmental NGOs such as World Wildlife Fund (WWF) and Environmental Defense Fund (EDF) toward our goal to reduce or avoid emissions in our supply chain by 1 gigaton by 2030. Through projects ranging from factory energy efficiency to fertilizer optimization, to date suppliers report having avoided over 230 MMT of emissions.<sup>3</sup>

## Aligned philanthropy

The transformation of complex systems requires collaboration among the public sector, private sector and civil society. Through philanthropy, we seek to complement and go beyond Walmart business initiatives in addressing social and environmental challenges. In FY2020, through a combination of in-kind and cash gifts, Walmart gave more than \$1.4 billion to fund projects that create opportunity, enhance sustainability and strengthen communities.



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In FY2020, through a combination of in-kind and cash gifts, Walmart gave more than \$1.4 billion to fund projects that create opportunity, enhance sustainability and strengthen communities  
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## Defining our ESG priorities, goals & targets

We prioritize ESG issues that offer the greatest potential to create shared value. They are issues that rank high in terms of relevance to our business and stakeholders as well as Walmart's ability to make a difference.

We performed our first ESG materiality assessment in 2014, heavily engaging our stakeholders. The results informed our ESG agenda and 2025 goals related to associate opportunity, environmental and social challenges in supply chains and community resilience. We conduct regular updates through ongoing engagement and dialogue with our stakeholders, which have led to additional initiatives and priorities such as the publication of our Human Rights Statement and the development of science-based targets for emissions reduction. Read more in the [Stakeholder engagement](#) ✨ section of this report.

This report provides information on key ESG metrics and initiatives. Below we provide a snapshot of a handful of the most relevant ESG issues:

1. Economic opportunity for Walmart associates
2. Environmental and social issues in our supply chains
3. Climate change

### Economic opportunity

The retail sector — as a foundational entry point to work and a place to gain valuable skills — provides a gateway to upward mobility. Walmart provides jobs for nearly 1.5 million people in the U.S. and more than 2.2 million worldwide. Our workforce development approach in the U.S. focuses on access, stability and mobility. This approach is designed to lead people from entry to opportunity while addressing workforce development challenges.

Through competitive wages, predictable and flexible scheduling (with more than 60% of our U.S. hourly associates full time — excluding Home Office associates), and relevant benefits (including quarterly bonuses, paid time off and access to affordable, innovative health care), we empower associates to achieve economic stability. We provide opportunities for them to advance at our company through on-the-job training and coaching and by connecting them with affordable education opportunities that can help them succeed within Walmart or beyond. As described in more detail later in this report, our efforts are underpinned by a commitment to fostering workforce diversity and a culture of inclusion. Developing a more diverse and dynamic workforce helps us to keep pace with evolving customer demands while advancing economic inclusion.

Read more in the [Retail opportunity](#) ✨ section of this report.

## Environmental & social issues in our supply chain

Addressing the intensifying challenges of climate change, depletion of natural resources, waste and inequality in society requires increased effort from all sectors. The world's product supply chains are complex, with highly interdependent social, economic and environmental issues and millions of participants, including customers, suppliers, workers, governments and NGOs. No one business, even at the scale of Walmart, can make significant progress on the sustainability of product supply chains alone; progress depends on the collective action of many. We aim to be part of the solution — collaborating with suppliers and many others to transform supply chains for the better by working together.

As a first step, Walmart sets expectations for our suppliers through our [Standards for Suppliers](#) (consistent with our respect for human rights; read more about our [Human Rights Statement](#) and [approach](#) ✨) and uses audits to help assess whether our standards are being upheld. We also evaluate our product supply chains using internal and external data, assessments of particular regions, countries, commodities or products, and guidance from industry experts, NGOs and other stakeholders.

Beyond compliance, we have an opportunity to leverage our scale and capabilities in collaboration with others to impact specific issues such as responsible recruitment in seafood and sustainable chemistry in consumables.

There is no one-size-fits-all approach to addressing social and environmental issues in supply chains. We tailor our engagement by evaluating our sourcing footprint, determining the most relevant issues for each commodity and identifying where

Walmart is best positioned to accelerate positive action forward.

This report describes Walmart's [environmental](#) ✨ and [social](#) ✨ supply chain initiatives in separate sections. In practice, our work in any given product supply chain (e.g., produce, seafood) tends to encompass both.

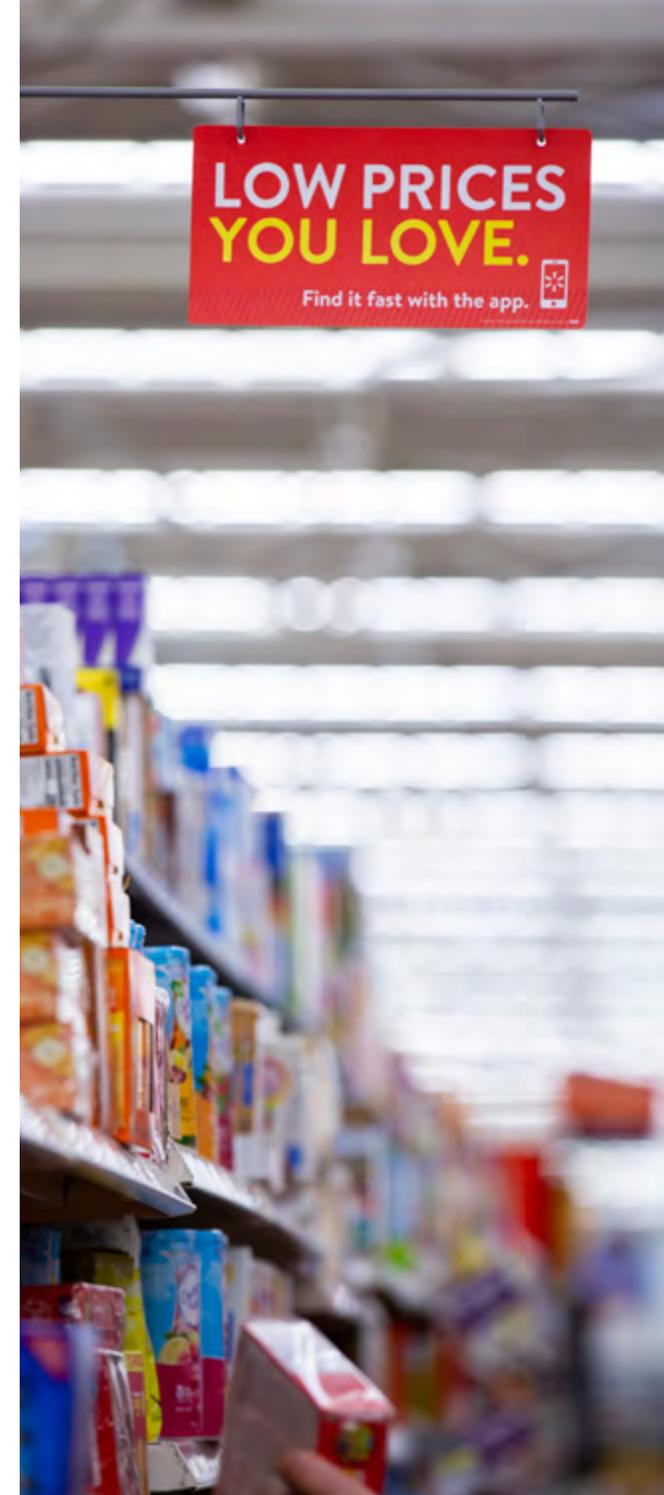
## Climate change

Climate change is one of the greatest challenges of our time. According to the U.S. government's [Fourth National Climate Assessment](#), by the end of the century, warming at the current trajectory will cost the American economy hundreds of billions of dollars from crop damage, lost labor and the consequences of extreme weather.

As a large omni-channel retailer with hundreds of millions of customers worldwide and a global sourcing footprint, we seek to galvanize collective action to reduce emissions, while taking steps to strengthen the resilience of our business against the effects of climate change.

Walmart has called for public and private sector engagement in climate action, and we have [reaffirmed our own commitment](#) through science-based targets for emissions reduction and Project Gigaton — our initiative for working with suppliers to reduce or avoid 1 gigaton of emissions in our supply chain by 2030.

Read more about our actions in the [Climate change](#) ✨ section of this report.



## Challenges to achieving aspirational goals, commitments & targets

The aspirational goals, commitments and targets we set under priority topics are designed to help Walmart aim high, hold ourselves accountable and move at an aggressive pace. Our public ESG commitments galvanize action across our business through senior-level oversight, policies and

programs. We hold ourselves accountable through metrics, measurement and annual reporting, including the annual publication of our ESG Report.

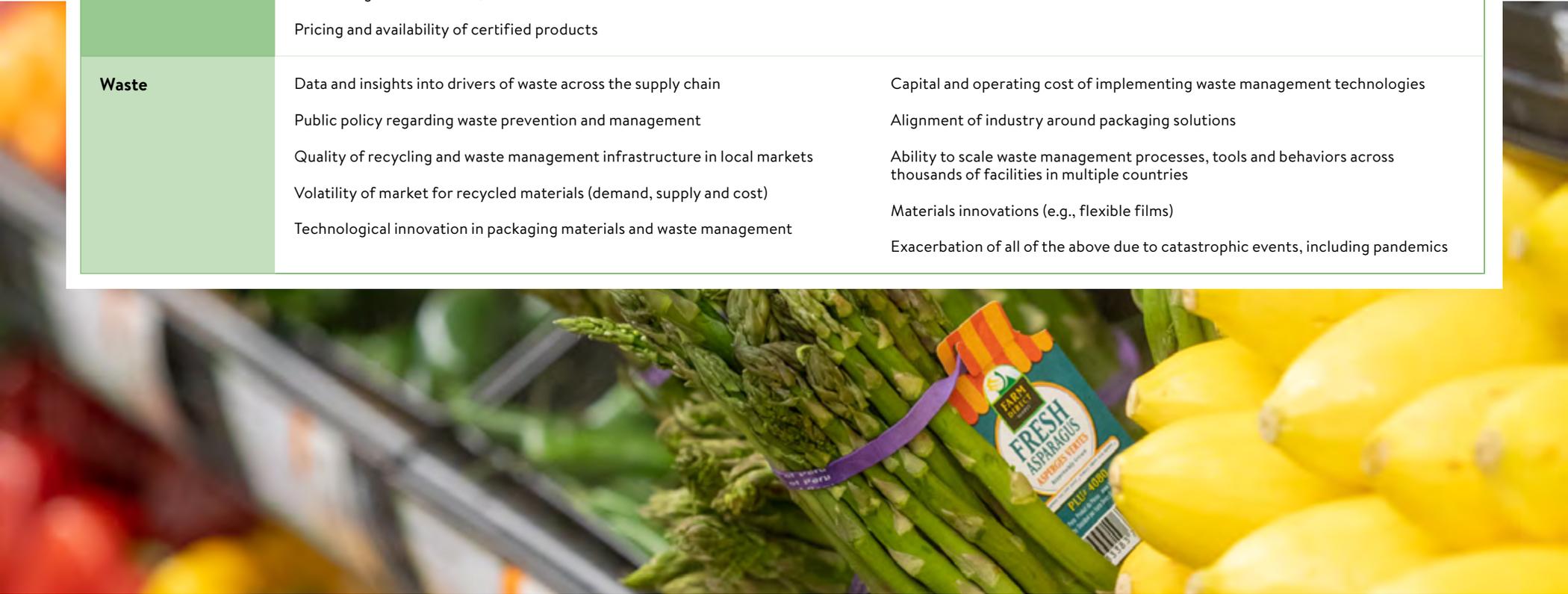
That said, making progress on ESG issues is challenging. Because success depends on the collective efforts of many, as well as factors such

“  
Our ESG commitments galvanize  
action across our business  
”

as technical advances, policy changes, economic and price volatility, and supplier engagement, there may be times when we fall short. While we strive in each case to meet our goals and targets, sometimes challenges may delay or block progress.

## Environmental challenges

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



## Social challenges

Issue	Example challenges	
<b>Retail opportunity</b>	<p>Acceptance among retailers of the business case for frontline upskilling</p> <p>Engagement of associates in building capabilities relevant for advancement</p> <p>Alignment among employers on the importance of building career pathways and credentials that reflect needed skills for advancement</p>	<p>Evolution of cost-effective, practical tools to rapidly build skills among incumbent workers</p> <p>Progress on equity and inclusion in culture at large</p> <p>Exacerbation of all of the above due to catastrophic events, including pandemics</p>
<b>Supply chain: Social sustainability</b>	<p>Upstream risks beyond the reach of traditional responsible sourcing tools</p> <p>Complexity of supply chains</p> <p>Diverse responsible sourcing stakeholders with sometimes conflicting expectations</p>	<p>Emerging trends in country-by-country political landscape</p> <p>Scope of international and local laws and regulations</p> <p>Greater calls for transparency</p> <p>Exacerbation of all of the above due catastrophic events, including pandemics</p>
<b>Safer, healthier food &amp; other products</b>	<p>Consumer expectations and demand</p> <p>Pace of innovation in product development</p> <p>Adoption of transparency labeling among suppliers</p>	<p>Data availability</p> <p>Exacerbation of all of the above due to catastrophic events, including pandemics</p>



# Environmental

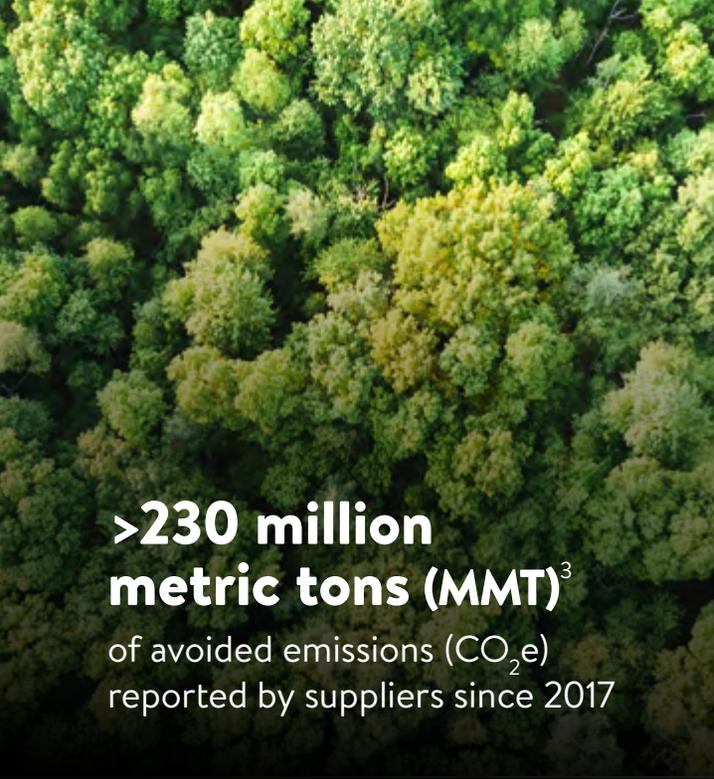
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**>230 million metric tons (MMT)<sup>3</sup>**  
of avoided emissions (CO<sub>2</sub>e)  
reported by suppliers since 2017



**80%<sup>4</sup>**  
of waste materials  
diverted from landfill and  
incineration globally



**29% (estimated)**  
of our operations are  
powered by renewable  
sources of energy<sup>5</sup>



**7.7%**  
decrease<sup>6</sup> in Scope 1  
and 2 annual emissions,  
compared to baseline  
(CY2018 vs. CY2015)



**Nearly 100%<sup>7</sup>**  
of Walmart U.S. stores' and Sam's  
Clubs' U.S. fresh and frozen seafood  
was sourced in accordance with our  
sustainable seafood policy, as reported  
by suppliers



**100%** of Walmart U.S.<sup>8</sup>      **91%** of Sam's Club  
private brand coffee sales were  
sourced certified sustainable  
(UTZ-Rainforest Alliance or UTZ),  
as reported by suppliers



## Climate change

Climate change is one of the greatest challenges of our time. According to the U.S. government's [Fourth National Climate Assessment](#), the current warming trajectory is projected to cost the American economy hundreds of billions of dollars from crop damage, lost labor and the consequences of extreme weather by the end of the century. Human-caused greenhouse gas (GHG) emissions contribute significantly to rising global temperatures and other signs of climate change, according to the Intergovernmental Panel on Climate Change.

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

Walmart was the only global grocery/multi-retail category retailer to make CDP's 2019 'A List' and Supplier Engagement Leaderboard for Climate. Walmart estimates its Scope 1, 2 and partial Scope 3 GHG emissions in accordance with the [GHG Protocol Corporate Accounting and Reporting Standard](#) and has disclosed this and other climate-related information annually since 2006.

### Climate-related risk assessment

Walmart includes climate risk in the scope of the company's annual enterprise risk management review. In 2017, to better understand the potential long-term impact of climate change on the retail

sector and our business, we engaged an independent third-party consultant to conduct a scenario-based climate risk assessment; we aimed to align with the scenario guidance set forth by the Task Force on Climate-related Financial Disclosures (TCFD). The analysis considered **two scenarios** ✨ for global warming: 1) global temperatures rise by 2 degrees Celsius, the upper end of the range targeted by the Paris Agreement and 2) global temperatures rise by 4 degrees Celsius, often called "business as usual." Each scenario looked out to the years 2030 and 2050, making assumptions about four climate variables: temperature, drought/water stress, extreme weather events and sea level. In addition to these physical risks, the analysis also considered the transition risk of carbon pricing.



# Climate-related risk assessment

## Climate scenarios: Methodology

Timelines	Scenarios applied	Risk categories
2030, 2050	RCP 8.5 (Business As Usual), RCP 2.6 (2 degrees Celsius scenario), IEA 450	Physical, Transition

## Scope of analysis

Climate variables	Modeled risk	Considerations for enhancing climate resilience
Rising temperature	Net increase in days requiring heating and cooling of facilities	Progress toward 100% renewable energy Improvements in energy efficiency; performance of refrigeration systems
Drought	Reductions in crop yields	Adoption of sustainable agriculture practices Technology and seed innovation (e.g., controlled environment)
Storm intensity	Cost of facility damage and recovery	Facilities siting; construction specifications Disaster preparedness; recovery capabilities
Rising sea level	Viability of facility locations	Facilities siting; construction specifications
Carbon pricing	Cost of Scope 1, 2 emissions	Progress toward zero emissions

### Risk assessment & scenario analysis assumptions

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

We discussed the analysis with teams across our business and the Nominating and Governance Committee (NGC) of the Walmart Board of Directors (the "Board"). We include climate risk in the company's overall enterprise risk management process and update the Board's Nominating and Governance Committee regularly on climate initiatives as part of our overall sustainability update. For more information on this analysis, please see our [2019 CDP climate change disclosure](#).



# Climate change mitigation

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

## Sustainable operations

We reduced our absolute Scope 1 and 2 GHG emissions by 7.7%<sup>6</sup> between our 2015 baseline and 2018, keeping us on track to achieve our science-based target<sup>9</sup> of 18% reduction by 2025.

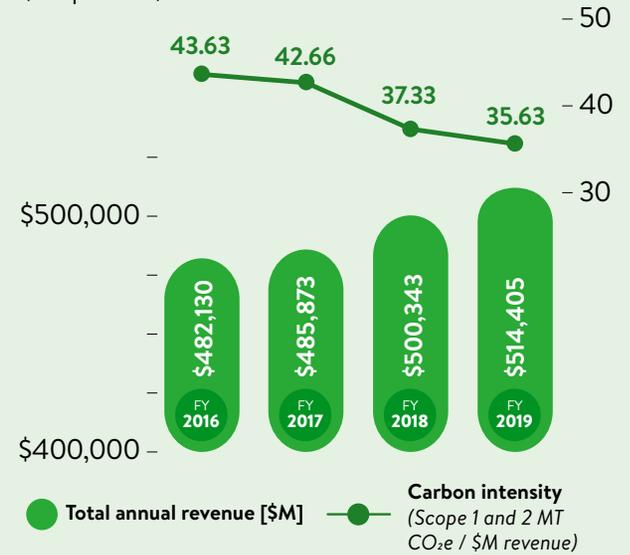
### Annual GHG emissions

(Scope 1 & 2)<sup>10</sup>



### Carbon intensity

(Scope 1 & 2)<sup>10, 11</sup>



## Science-based target<sup>9</sup>

Target	How we'll get there	Progress
<b>Scope 1 &amp; 2</b> Reduce GHG emissions by 18% by 2025 compared with 2015 levels (approved as science-based by the <a href="#">Science Based Targets initiative (SBTi)</a> ).	Increasing the energy efficiency of our buildings  Improving the performance of our refrigeration systems  Maximizing the sustainability of our fleet  Powering 50% of our operations with renewable energy by 2025	7.7% reduction in Scope 1 and 2 emissions between our 2015 baseline and 2018. <sup>6</sup>  3.8% reduction of Scope 1 and 2 emissions between 2017 and 2018. <sup>10, 12</sup>  Renewable sources supplied an estimated 29% of our electricity needs globally in 2019. <sup>5</sup> Based on our pipeline of solar and wind projects, we expect to source 35% of our electricity from renewables by the end of 2020.  Walmart has contracted more than 1.2 gigawatts (1.2 million kilowatts) of new renewable energy projects over the past two years (2018, 2019). According to Bloomberg New Energy Finance's Renewable Deal Tracker, this places us fifth among all companies with publicly reported deals during this period.
<b>Scope 3</b> Avoid 1 billion MT (a gigaton) of emissions in our collective value chains by 2030.	Project Gigaton™	More than 2,300 suppliers have formally signed on to the project. <sup>13</sup> In 2019 alone, more than 1,000 suppliers reported avoiding >136 MMT of CO <sub>2</sub> e, totaling >230 MMT CO <sub>2</sub> e since we began measuring progress in 2017. <sup>3</sup>



## Project Gigaton

Because most emissions in the retail sector lie in product supply chains rather than in stores and distribution centers (such indirect emissions are referred to as Scope 3 emissions), in 2017, we started Project Gigaton – our initiative to engage suppliers in climate action along with NGOs and other stakeholders.

Project Gigaton aims to avoid one billion metric tons (a gigaton) of greenhouse gases from the global value chain by 2030 by inviting suppliers to set targets and take action in six areas: energy use, sustainable agriculture, waste, deforestation, packaging and product use. The [Project Gigaton](#) platform includes a variety of resources, including calculators to help set and report on goals within the initiative, workshops on best practices and links to additional resources and initiatives (for example, packaging playbook and supplier summit, food waste calculator, Higg Index adoption and fertilizer optimization).

Several organizations have supported development of the Project Gigaton platform and related resources, including the World Wildlife Fund (WWF), the Environmental Defense Fund (EDF), Conservation International, The Nature Conservancy, the Sustainable Packaging Coalition, the World Resources Institute (WRI) and CDP. They help us continually improve the methodologies and review supplier submissions.

## Your impact lies in your supply chain

5.5:1 – average ratio of supply chain to direct carbon emissions



## Walmart's annual emissions

million metric tons (MMT) CO<sub>2</sub>e





“  
We want to democratize  
climate action  
”

Additionally, Walmart and the Walmart Foundation have invested in initiatives to facilitate progress on emissions reduction across global supply chains. For example, in January 2020, the Walmart Foundation invested in WRI to support Global Forest Watch, a publicly accessible global platform for monitoring deforestation.

By investing in back-end capabilities and new ways to analyze data, Global Forest Watch intends to reach an even bigger audience with over 500,000 individual users per year and drive greater transparency to conservation mechanisms directed at forests worldwide.

We have designed Project Gigaton to accommodate a wide range of suppliers in terms of their readiness and capabilities to undertake intensive greenhouse gas reduction efforts. While we encourage suppliers to set “SMART” goals (Specific, Measurable, Achievable, Relevant and Time-limited) aligned with science-based targets, not all suppliers have the capabilities to do so yet. We want to democratize climate action by making resources available for any supplier to get started on ways to avoid or reduce emissions and then to increase their ambition and impact over time.

To date, more than 2,300 suppliers have formally signed on, making Project Gigaton one of the largest private sector consortiums for climate action. Of the

### Omni-channel retail emissions

In 2017, we undertook a study to explore which retail channel is most efficient in terms of carbon emissions — omni-channel, online or in-store. We found that there is no single answer to that question, because our customers’ lives and purchase patterns are dynamic. Sometimes they sprint to the store to purchase a last-minute toy for a birthday party, and sometimes they stock up on groceries. We found that the better question is: When is each channel most efficient in terms of emissions? Read more about our specific findings in the white paper: [The Emissions Implications of Modern Retailing: Omni-channel vs. Stores and Online Pure-Plays.](#)

more than 2,300 suppliers, we have recognized 428 as Giga Gurus, meaning they have set SMART goals, agreed to share them publicly and reported avoiding emissions in the most recent reporting year. We’ve also recognized 424 as Sparking Change suppliers that have either set SMART goals and agreed to share them publicly, or have reported avoiding emissions in the most recent reporting year.

Suppliers report having avoided more than 136 MMT of CO<sub>2</sub>e in 2019, for a cumulative total of more than 230 MMT of CO<sub>2</sub>e avoided since 2017.<sup>13</sup> We continue to expand the number of potential pathways and calculators in other Gigaton areas and will continue to encourage our suppliers to engage in those.



## Project Gigaton action areas

Suppliers can make commitments & pursue initiatives in one or more of six areas:

Action area	Actions we encourage suppliers to take	Emissions avoided in 2019 <sup>3</sup> (MT CO <sub>2</sub> e)
<b>Energy</b>	Avoid energy-related emissions in two ways: 1) reduce energy demand through optimization and efficiency and 2) transition to energy sources that are renewable and emit little to no carbon.	65,879,722
<b>Waste</b>	Address food, product and material waste that come from factories, warehouses, distribution centers and farms and contribute to GHG emissions. Reducing and diverting waste from landfills can also increase operating efficiency and lower costs.	14,450,692
<b>Packaging</b>	Reduce unnecessary packaging, use better packaging materials and increase the reuse and recycling of packaging. Walmart is taking specific aim at plastics, with expanded waste reduction commitments for our U.S. private brands. Read more about our additional work to address plastic packaging in our value chain in the <a href="#">Waste</a> ✨ section of this report.	5,687,506
<b>Agriculture</b>	Adopt best practices in animal agriculture, such as manure management, enteric methane emissions from animals' digestive processes, feed management and other activities, and efficiently using fertilizer in crop production.	1,579,554
<b>Deforestation</b>	Reduce deforestation through a range of tools that can be used to maximize impact. This includes certification, monitoring, sustainable sourcing regions, collaborative action and advocacy.	20,379,962
<b>Product use &amp; design</b>	Design products to be more energy efficient. Furthermore, product manufacturers can help deliver more innovative products to shelves by making smart, sustainable material choices in the design of their products, such as incorporating recycled content, which can reduce the overall carbon footprint of the product.	27,142,341

Emissions avoided by pillar as a percentage of total emissions avoided in 2019



\*Uncategorized emissions avoided total ~1.6 MMT. Adding these uncategorized emissions to the emissions avoided in 2019, as detailed in the adjacent table, brings the cumulative total emissions avoided to 136 MMT CO<sub>2</sub>e.<sup>3</sup>



## Climate change adaptation

Insights into climate risk have underscored the relevance of Walmart's initiatives and long-standing capabilities in resilient operations and sourcing. See the [Climate-related risk assessment](#) ✨ section of this report for more information on climate risk scenarios and implications for resilience. Examples include:

### Resilient operations

Walmart's Emergency Management Department uses predictive analytics to gauge the path and likely severity of seasonal weather events such as hurricanes that could impact operations and supply lines. The Emergency Management team helps our operations and supply chain teams prepare for and minimize the effects of such events. In the event of a disaster, they operate out of Walmart's Emergency Operations Center, engaging associates, local governments, NGOs and others as needed, deploying associates with specialized expertise as well as mobile generators, fuel resources, trucks and other resources to manage crises on the ground.

Read more about Walmart's Emergency Management Department in the [Disaster response & resiliency](#) ✨ section of this report.

### Resilient sourcing

Because product supply chains such as produce can be especially susceptible to weather events and to climate change over time, Walmart has sought to enhance resilience by diversifying sources, encouraging suppliers to adopt more sustainable practices, experimenting with innovative seed varieties and controlled environments and reducing transport time.

Read more about our supplier engagement in the [Product supply chains: Sustainability overview](#) ✨ and [Product supply chains: Social sustainability](#) ✨ sections of this report.

## Philanthropy: Resilience of smallholder farms

Walmart and the Walmart Foundation invest in philanthropic initiatives to help improve farmer livelihoods and enhance resilience of small farms in Mexico and India. For example, in India where smallholder farmers represent the backbone of the country's economy, the Walmart Foundation, working beyond Walmart's supply chain, made a commitment in 2018 to invest \$25 million over five years to strengthen farmer producer organizations and farm yields. Through FY2020, we have invested over \$13 million in grants to organizations working with more than 96,000 smallholders, approximately 34,500 of them women. In August 2019, we held a summit in New Delhi, India, of grantees and other leading smallholder development experts to share experiences and help advance the field.

## Business: Walmart India

In 2018, Walmart India committed to source 25% of produce sold in its Best Price Cash & Carry stores from India's farmers. For 2019, 6.4% of produce sold through our Cash & Carry format was from local farmers.





# Waste

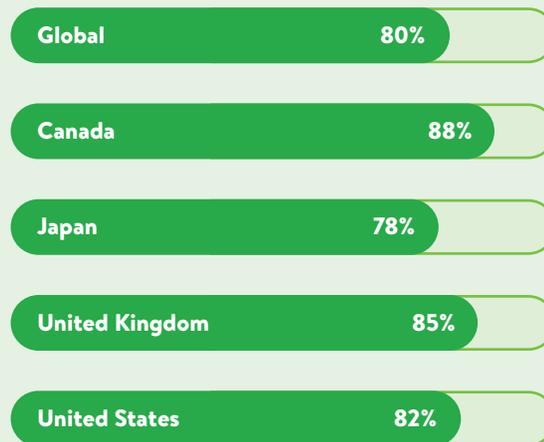
We aim to break the link between consumption and waste.

In 2005, we set an aspirational goal to achieve zero waste<sup>14</sup> in our own operations. We aim to achieve that goal by 2025 in four countries: Canada, Japan, the U.K. and the U.S. In 2019, we diverted 80%<sup>4</sup> of our unsold products, packaging and other operational materials from landfills and incineration globally.

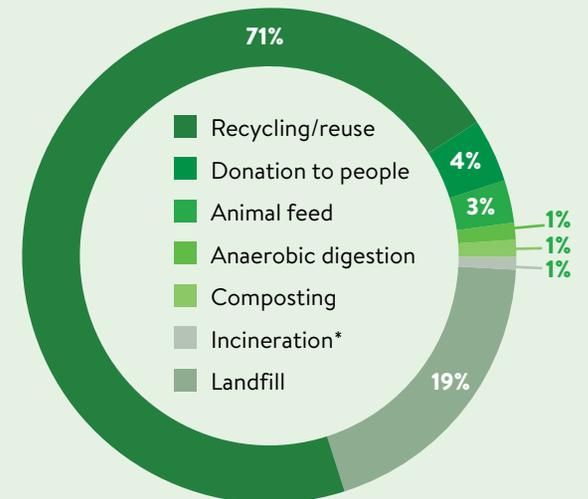
We also engage suppliers, consumers and other organizations to eliminate waste across the product value chain, especially food waste and plastic waste.

## Progress toward goals (CY2019)

Diversion rates globally and by country<sup>4,15</sup>



## Walmart global waste destination mix



\*with and without energy recovery



## Plastic waste

While plastic provides numerous benefits (in packaging, plastic can help promote food safety and reduce food waste), society has been unable to collect and manage it at the same rate as it is produced. For example, less than 14% of plastic packaging was collected for recycling globally in 2016, with the rest ending up in landfills, rivers and oceans, according to the Ellen MacArthur Foundation. To help reduce plastic waste, we work throughout our business and with suppliers to use less plastic, implement reuse and refill models, recycle more and support innovations to improve waste reduction systems.

## Plastic waste in our operations

Throughout our operations, we aim to eliminate plastic waste by reducing, reusing and recycling plastic needed to run our business. For example, we contract with vendors to collect and recycle rigid plastics and plastic film, produced from our operations and returned from customers. During 2019, we recycled more than an estimated 330 million pounds of plastic film and rigid plastics globally.<sup>16</sup>

To learn more about our waste elimination initiatives, including our resources for reducing plastic packaging waste and country-specific waste goals, see [Walmart Sustainability Hub](#), [Walmart Canada](#) and [Walmart Mexico](#).

## Plastic & other packaging waste in our supply chain

[According to the Ellen MacArthur Foundation](#), the majority of plastic packaging is single-use.



“  
Our aspiration is to achieve  
zero plastic waste  
”

To help accelerate the elimination of plastic packaging waste, we're working with suppliers to:

- **Change packaging** to reduce unnecessary plastic, improve recyclability and increase recycled content
- **Encourage industry adoption** of new product and packaging formats, including reuse and refill options, by piloting innovative solutions with suppliers
- **Engage customers** to educate and inspire them to reduce, reuse and recycle plastic

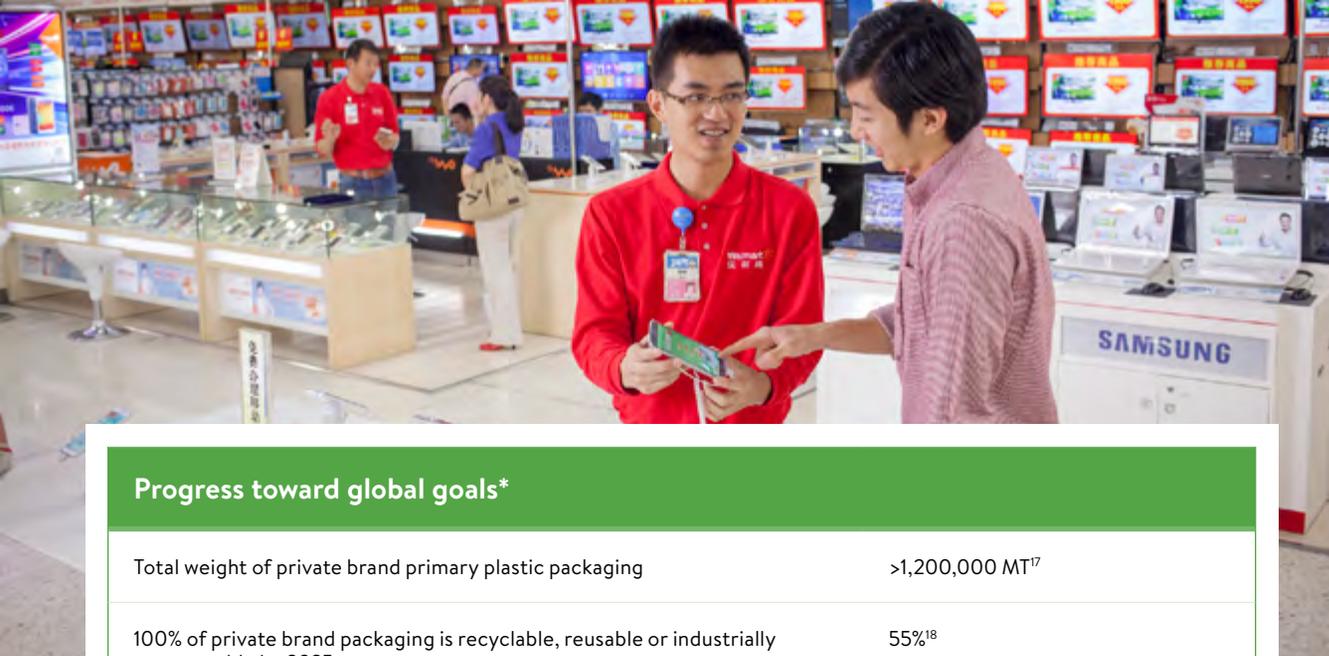
## Change packaging

We encourage both our private brand and national brand suppliers to eliminate waste from their operations and the products and packaging they sell through Walmart, and we set specific targets for our private brand suppliers. In February 2019,

we became a partner with the Ellen MacArthur Foundation's New Plastics Economy and signatories to their [Global Commitment](#). As part of doing so, we established a goal for our North American<sup>20</sup> private brands to achieve 100% recyclable, reusable or industrially compostable packaging and to use 20% post-consumer recycled content by 2025 – a goal expected to impact an estimated 30,000 items for sale.

In 2019, we surveyed Walmart private brand suppliers to establish a baseline against which we will track progress. The [Walmart Sustainability Hub](#) includes [guidance](#) for our private brand suppliers to complete the survey.





We engage our private and national brand suppliers to help them accelerate progress on optimizing packaging. Recent engagements have included:

- **Packaging Innovation Summit** in November 2019, where Walmart hosted over 700 suppliers and leading sustainable packaging advocates such as the Ellen MacArthur Foundation and the Sustainable Packaging Coalition for a day of working sessions to help suppliers accelerate progress on sustainable packaging.
- **Walmart Recycling Playbook**, a resource developed by Walmart in collaboration with The Association of Plastic Recyclers (APR), the Sustainable Packaging Coalition and Pure Strategies. It can be found on Walmart's [Sustainability Hub](#), which contains additional tools, trainings and informative videos.
- **Project Gigaton** has proven to be an effective way for us to encourage our national brand suppliers to make packaging and waste reduction commitments. At the end of FY2020, 304 suppliers have a SMART goal related to packaging and 275 suppliers have a SMART goal related to waste reduction. In 2019, suppliers have reported 20 million MT of emissions avoided attributed to packaging and waste reduction. Read more in the [Project Gigaton](#) ✨ section of this report.
- **Industry collaborations:** We collaborate with suppliers, retailers, the NGO community and others to help reduce plastic waste through the Plastic Waste Coalition of Consumer Goods Forum (CGF). Additionally, Asda participates in the UK Plastics Pact led by WRAP, a part of the global Plastic Pact network of the Ellen MacArthur Foundation.

### Progress toward global goals\*

Total weight of private brand primary plastic packaging	>1,200,000 MT <sup>17</sup>
100% of private brand packaging is recyclable, reusable or industrially compostable by 2025	55% <sup>18</sup>
Global goal: 17% of private brand plastic packaging is made of post-consumer recycled content by 2025	9% <sup>19</sup>
North America <sup>20</sup> goal: 20% of private brand plastic packaging in North America is made of post-consumer recycled content by 2025	7% <sup>19</sup>

### Progress toward U.S. goals\*

Total weight of private brand primary plastic packaging	>980,000 MT <sup>21</sup>
100% of our Walmart U.S. food and consumable private brand primary packaging labeled with the How2Recycle® label by 2022	50% – Walmart U.S. sales <sup>21</sup>
	38% – Sam's Club sales <sup>21</sup>
100% of general merchandise private brand primary plastic packaging is free of PVC by 2020	97% <sup>22</sup>

\*As of the end of FY2020, estimated based on supplier reports of primary packaging. Primary packaging is packaging that goes home with the consumer.



## Encourage industry adoption

We have encouraged suppliers to develop new product and packaging formats that can greatly reduce or even eliminate the need for single-use packaging. To help our customers more easily find reusable and refillable options, on Earth Day, April 22, 2020, Walmart.com launched a new Reduce, Reuse, Recycle shop featuring a range of sustainability features that customers can sort by, including: reduce energy, reduce food waste, reduce plastic and recycle.

## Engage customers

By working with suppliers to encourage packaging reductions, recyclability and reusability, we aim to help reduce waste for customers. To put more consumer-friendly recycling information on packaging, we have asked our private brand suppliers to label our food and consumable private brand packaging with the standardized [How2Recycle® label](#), and we encourage our national brand suppliers to use the label as well. We also sell reusable shopping bags and provide access to in-store plastic bag and film recycling bins for customers in more than 2,900 U.S. stores.

## Plastic bags



**Although plastic bags only account for an estimated 6% of our plastic packaging footprint\* in the U.S., we receive many questions about them from our stakeholders. Our efforts to eliminate plastic waste include eliminating waste from plastic bags. Recent initiatives include:**

- Encouraging customers to use their own, or purchase, reusable bags. To make it more convenient for customers to choose reusable options, we have improved placement of bags, offered new designs and launched a cashiers campaign in spring 2019 in U.S. stores. These and other changes allowed us to increase reusable bag sales by 42% in 2019 compared to the previous year.
- Reducing the number of bags used at checkout by packing more efficiently. Our “One More Item” campaign encourages customers and cashiers to fully pack bags.
- Providing in-store plastic bag and film collection bins. These, along with the How2Recycle label, raise customers’ awareness of the recycling options available and make it as easy as possible for customers to return bags in our stores.

**In July 2020, we launched Beyond the Bag in conjunction with several other retailers and the Closed Loop Partners to develop innovative alternatives with the potential to scale industry-wide.**

**Some markets have also set specific plastic bags goals. For example, Walmart Canada has set a goal to reduce single-use plastic checkout bags by 50% from 2018 levels by 2025. As of the end of 2019, Walmart Canada reduced single-use plastic checkout bag use by 6.5% over the previous year.**

\* Walmart U.S plastic packaging footprint includes primary national and private brand packaging and plastic shopping bags.



## Philanthropy: Plastic waste

To help reduce plastic waste in the U.S., the Walmart Foundation makes investments to support materials innovation, recycling collection and sorting infrastructure, and consumer education.

For example, in FY2020, the Walmart Foundation provided a grant to the Foundation for Chemistry Research and Initiatives in support of the Materials Recovery for the Future program, a pilot designed to improve recovery and recyclability of flexible plastic films.

The Walmart Foundation also supported [The Recycling Partnership's 50 Cities Leadership Summit](#), which brought together leaders and representatives from 50 of the largest cities in the continental U.S. to support recycling infrastructure and education.

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

## Food waste

We are inspired by U.N. Sustainable Development Goal 12.3 to halve per capita global food waste at the retail and consumer level and reduce food losses along production and supply chains by 2030. We are also a signatory to the [CGF's Food Waste Resolution](#) and a member of the U.S. Department of Agriculture and [U.S. Environmental Protection Agency's Food Loss and Waste 2030 Champions](#) program.

Our initiatives are designed to span the food supply chain, including implementing best practices in our retail and distribution operations, working with suppliers upstream and empowering consumers downstream.

## Food waste in our operations

We aspire to achieve zero waste<sup>14</sup> in our operations globally, and we aim to achieve this by 2025 in four countries: Canada, Japan, the U.K. and the U.S. This effort includes food waste.

The primary way we avoid food waste in our operations is by increasing the sell-through of food products. We have strengthened our forecasting and ordering tools to improve inventory flow, adjusted store fixtures to increase product turnover, enhanced distribution centers and offered discounts on food that is close to its expiration date. These efforts have produced positive results: for Walmart U.S., we wasted 57 million fewer food units in our fresh departments in FY2020 than we did the previous fiscal year, and we sold more than 300 million food units through food discount programs.



Food waste diverted from landfill in 2019<sup>4</sup>

>1.4B lbs  
globally

>1.1B lbs  
in the U.S.





## Philanthropy: Avoiding food waste

Walmart and the Walmart Foundation have made significant contributions over the past ten years to help strengthen the charitable meal sector in North America. Since 2005, Walmart and the Walmart Foundation have contributed more than 4.5 billion pounds in food donations and over \$120 million in grants to support Feeding America, a nationwide network of 200 food banks in the U.S. Since we launched our “Fight Hunger. Spark Change.” campaign in 2014, Walmart, Sam’s Club, participating suppliers and customers have cumulatively raised \$100 million for Feeding America and its network of local food banks.

Walmart and the Walmart Foundation also support organizations that help expand access to charitable meals, support development of meal programs in schools and community sites, support access to benefits, and provide nutrition education. Since 2016, the Walmart Foundation has provided more than \$18 million in funding to reduce food waste and strengthen food banks in Canada.

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

When food goes unpurchased, Walmart works to maximize its use by getting it to people and places that need it. In FY2020, we donated more than 585 million pounds of food in the U.S. alone. In addition to donating food to food banks and other charities, Walmart and the Walmart Foundation have donated funds to purchase equipment to increase the capacity of the charitable meal system to transport and deliver fresh food.

Finally, if food is no longer edible, we work to convert it to animal feed, compost or energy. Our stores in Argentina, Canada, Chile, Japan, South Africa, the United Kingdom and the United States, for example, send a portion of their food waste to anaerobic digestion plants, which break down the food into gases that can be used as fuel and fertilizers.

### Food waste in our value chain

Beyond our own operations, we also engage our suppliers and customers in efforts to reduce food

loss and waste. Through Project Gigaton, Walmart encourages our suppliers to measure and report food waste and introduce practices for reprocessing, donating and recycling. We also encourage suppliers to standardize date labeling, in line with the CGF’s Date Labeling Call to Action, for example with “Best If Used By” date labels (unless a food safety or regulatory reason prevents it). Based on a survey of our suppliers, we estimate that in FY2020, 98% of our Walmart U.S. private brand food sales came from items carrying this label.<sup>23</sup>

In FY2020, we joined the “10x20x30” initiative, in which the 10 largest food retailers each engage 20 of their priority suppliers to halve food loss and waste by 2030. The 10x20x30 initiative takes a whole-supply-chain approach, with retailers working to reduce in-store food loss and waste while supporting suppliers on similar efforts.





## Natural capital

Natural systems — such as forests, oceans and soil — provide services and resources worth around \$125 trillion per year, according to [WWF's Living Planet Report](#), and are essential for life on this planet.

Natural systems can be a cost-effective asset in the fight against climate change and its impacts. For example, regenerative agriculture practices such as cover cropping, no till and fertilizer optimization can help improve soil health. As the soil becomes healthier, the land can become a carbon sink: it can absorb carbon from the atmosphere and help mitigate climate change. Healthy trees also act as a carbon sink, taking in carbon dioxide and releasing

oxygen, which makes protecting and rebuilding forests a priority for nature-based solutions to climate change.

At Walmart, promoting conservation and replenishment of natural resources is an important component of our sustainability efforts.

### Mapping our assortment to critical landscapes

Some consumer goods ingredients — such as palm oil, coffee or tuna — originate from ecosystems that are key to life on earth. For products and ingredients

sourced from critical landscapes, certifications allow the certifying organization to communicate that the standard of production is sustainable in terms of that organization's particular environmental and/or social criteria.

### Certifications

We ask suppliers to use certifications in sourcing several of our commodities, such as the Roundtable on Sustainable Palm Oil (RSPO) and Marine Stewardship Council (MSC) for wild-caught seafood, among others.



The table below highlights the FY2020 status of commodities where we have asked suppliers to use certifications.

Walmart has also supported the development and implementation of industry initiatives and standards over the years by providing insight on environmental or social criteria relevant to stakeholders. Some examples of industry initiatives we have participated in and supported include The Seafood Taskforce, the United Fresh/Produce Marketing Association's Ethical Charter on Responsible Labor Practices, the Association of Professional Social Compliance Auditors and the Leadership Group for Responsible Recruitment.



Commodity	Certification	Status (according to supplier reported data)
Palm oil	RSPO	~85% of our global private brand palm oil was segregated (or equivalent), identity preserved or mass balance; ~14% of our global private brand palm oil had associated PalmTrace Credits.
Coffee	UTZ-Rainforest Alliance, Fair Trade	100% of Walmart U.S. <sup>8</sup> and 91% of Sam's Club U.S. private brand coffee was sourced certified sustainable.
Pulp & paper	Forest Stewardship Council, Programme for the Endorsement of Forest Certification, Sustainable Forestry Initiative	97% of global private brand pulp and paper was certified or uses recycled content.
Farm-raised seafood	Best Aquaculture Practices (BAP), Aquaculture Stewardship Council (ASC), Global GAP or other third-party certification following the Food and Agriculture Organization of the United Nations (UN FAO) guidelines	99% of Walmart U.S. and Sam's Club U.S. farm-raised fresh and frozen seafood was sourced according to our seafood policy.
Wild-caught seafood	MSC or Global Sustainable Seafood Initiative-recognized certification (GSSI), Fishery Improvement Project (FIP)	98% of Walmart U.S. and Sam's Club U.S. fresh and frozen wild-caught seafood was third-party certified or sourced in a FIP. <sup>7</sup>

## Philanthropy: Certifications

The Walmart Foundation has helped NGOs strengthen certification schemes in the past several years. For example, in 2018, the Walmart Foundation provided a two-year grant to the Sustainable Fisheries Partnership Foundation to establish a National Longline Tuna Fishery Improvement Project in Indonesia helping to build sustainable management capacity at a jurisdictional level and supporting those fisheries on a pathway to MSC certification. Also in 2018, the Walmart Foundation funded a two-year grant to the Responsible Business Alliance Foundation's Responsible Recruitment Program, an initiative designed to build the marketplace for responsible recruitment through increasing recruiters' understanding and adoption of best practices and preparing them for certification.

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

Read more in the [Product supply chains: Sustainability overview](#) ✨ section of this report.



## Ecosystem initiatives

### Addressing deforestation

Healthy forests sustain biodiversity, support livelihoods and play an important role in mitigating climate change. Focusing on priority regions, we are working with suppliers on certification, monitoring, supporting sustainable sourcing regions, promoting collaborative action and advocating for effective policy. We complement our business initiatives with philanthropic investments in transparency tools and restoration of degraded land. Learn more at [Walmart.org](https://Walmart.org).

### Supporting on-the-ground regenerative agriculture

To improve practices, we support place-based projects. Walmart is a founding member of the [Midwest Row Crop Collaborative](#) (MRCC),

which over the past four years has facilitated the implementation of over a quarter-million acres of sustainable agriculture practices in the Upper Mississippi River Basin and provided data, financial incentives, and education on soil health, water quality and climate change mitigation to thousands of farmers and consumers.

### Promoting ocean health

We have been working to address ocean health since 2006 when we announced a goal to source wild-caught fish more sustainably. We have since expanded our work on sustainable seafood to include farmed, fresh and frozen seafood as well as canned tuna. These efforts are complemented with advocacy, collective action and philanthropy. As an example of the latter, the Walmart Foundation provided a grant to Global Fishing Watch, an organization which promotes ocean sustainability through greater transparency using cutting-edge

technology to visualize, track and share data about global fishing activity in near-real time and for free.

### Encouraging suppliers to adopt best practices

To foster conservation and restoration of natural ecosystems, we are encouraging suppliers to engage in the Sustainable Agriculture and Deforestation pillars of Project Gigaton. We ask suppliers to adopt best practices in areas such as manure management, enteric emissions, feed inputs and other activities in animal agriculture, along with fertilizer optimization in crop production. We estimate that the Agriculture pillar could contribute as much as 15% toward our goal to avoid 1 gigaton of GHG emissions by 2030 while at the same time providing benefits to nature, such as improved land use (higher yields and reduced food waste), enhanced soil health and reduced nutrient runoff into waterways. Read more



“  
Natural systems can be a cost-effective asset in the  
fight against climate change and its impacts  
”



about our approach to certifications in the [Certifications](#) ✨ section of this report.

To share best practices and innovations among our suppliers, we convene gatherings and working sessions such as our annual Sustainability Milestone meetings. These events bring together suppliers and NGO leaders to foster collaboration and innovative solutions to complex challenges such as deforestation and ocean acidification.

We also use tools such as The Sustainability Insight System (THESIS) Index to measure our suppliers' progress against key best practice environmental and social performance indicators. Read more about THESIS in the [Product supply chains: Sustainability overview](#) ✨ section of this report.

Conservation of wildlife habitats is an effective way to foster natural ecosystems while expanding recreational opportunities that support local communities.

In 2019, the Walmart Acres for America program, the leading public-private land conservation partnership in the U.S. administered by the National Fish and Wildlife Foundation, awarded \$3.6 million in grants to conserve important landscapes for fish, wildlife and people across 70,300 acres in Colorado, New Mexico, New York, Oregon, Washington, Iowa and Kansas. Since 2005, the National Fish and Wildlife Foundation reports that this program has conserved more than 1.4 million acres of land.

Pollinators, such as bees and butterflies, play a crucial role in growing fruits and vegetables, but their populations have declined in recent decades.

Walmart has [planted 21 pollinator gardens](#) at retail locations throughout Oregon, Washington and North Carolina.



# Product supply chains: Sustainability overview

Walmart has prioritized efforts to enhance the sustainability of products and product supply chains, with a focus on environmental and social issues such as: climate, waste and natural capital; working to combat forced labor while promoting inclusive economic opportunity for people who work in supply chains; and consumer access to affordable, safer and healthier products.

Progress on such issues creates value for business as well as society – for example, by increasing supply chain resilience and efficiency, improving product availability and quality and building trust.

In 2016, we announced a goal to more sustainably source at least 20 key commodities by 2025, primarily within the following product categories:

- Produce (e.g., tomatoes, grapes, leafy greens, melons)
- Row crops (e.g., corn, wheat, oats, rice)
- Specialty crops (e.g., coffee, palm oil)
- Seafood (e.g., tuna, shrimp, salmon)
- Meat and dairy (e.g., beef, poultry, pork, milk)
- Packaged food (e.g., pasta)
- Consumables (e.g., personal care, laundry)
- Textiles (e.g., cotton apparel)

Because of the complexity of global supply chains and the systemic nature of issues such as climate change or forced labor, lasting improvement requires collaboration among many stakeholders. No one organization can single-handedly transform supply chain systems. Progress depends on the engagement of suppliers, NGOs, consumers, governments and other stakeholders.

To improve the sustainability of a given **product supply chain** ✨, we start by listening to our customers and other stakeholders to set aspirations, such as emissions reduction or economic inclusion, and prioritize improvements to the product supply chain system, such as farming practices or commodity traceability. See chart, **Sustainable product supply chains: Walmart's approach to systems change** ✨.



To help set aspirations and priorities for system change, we also draw on insights from several data sources, including [THESIS](#), a science-based, third-party survey tool developed by The Sustainability Consortium in collaboration with universities, NGOs, and suppliers. THESIS enables suppliers to report on key performance indicators for the most relevant environmental and social issues across the lifecycle of a product type. Approximately 1,500 unique suppliers have reported through THESIS, representing 61% of our U.S. volume in the 117 categories where the survey is available. Coverage declined from 80% last year as we opened the survey up to a broader base of suppliers and transitioned to a supplier self-directed approach. We believe that coverage will increase as suppliers become accustomed to the new approach.

Based on stakeholder and THESIS inputs, we develop sustainability strategies for each category. We aim to improve the sustainability not only of Walmart assortments but to also impact supply chain systems more broadly – for example, by improving traceability or supporting adoption of more sustainable farming practices. Varying by product category, our strategies include actions related to product sourcing, collaborative projects with suppliers and NGOs, customer engagement, advocacy, and/or philanthropy.



# Sustainable product supply chains: Walmart's approach to systems change



## Aspirations

- Climate change mitigation
- Zero waste
- Natural capital regeneration
- Respect for human rights
- Inclusive economic opportunity
- Safer, healthier products

## Priorities for systems change

- Alignment on standards and science
- Empowered workers, customers, communities
- Sustainable production practices: farming, fisheries, manufacturing, packaging, transportation
- Traceability and transparency
- An enabling policy environment

## Walmart sustainability strategies: Example actions

### Product sourcing

- Requirements
  - » Standards for Suppliers
  - » Responsible sourcing program
  - » Human Rights Statement
- Product specifications
  - » Issue-specific policies, including certification requirements
  - » Product and packaging specs
  - » Item-level data requirements
- Inclusive sourcing/financing
  - » Diverse sourcing
  - » Direct farm, smallholder
  - » Made in USA

### Supplier engagement & measurement programs

- THESIS sustainability KPIs
- Collaboration platforms (e.g., Project Gigaton, Sustainable Chemistry)
- Playbooks, guides and workshops (e.g., Packaging Playbook, Seafood Summit)
- Innovation pilots (e.g., reuse/refill, blockchain)

### Industry consortia & initiatives

- CGF coalitions
- Leadership Group for Responsible Recruitment
- Walmart China Food Safety Collaboration Center
- Seafood Task Force
- Ethical Charter with Produce Marketing Association and United Fresh
- Nirapon, LABS

### Customer engagement

- Labeling (e.g., Great Value, Best if Used By)
- Campaigns (Fight Hunger, Spark Change, recycling)

### Advocacy

- Climate: Renewable Energy Buyers Alliance (REBA), We Are Still In
- Natural capital: Soy Moratorium, Tropical Forest Alliance, Business for Nature
- People: Bali Process

### Philanthropy\*

- Strategic grants
- Program-related investments
- In-kind donations
- Communities of practice

\*Philanthropy occurs through Walmart and the Walmart Foundation



## Walmart sustainability strategies: Example actions

Below, we describe the kinds of actions we pursue through our sustainable product supply chain strategies; in the table that follows, we provide highlights of FY2020 activities by product category and sustainability issue.

### Product sourcing

Sourcing requirements, specifications, supplier engagement and inclusive sourcing efforts can help send a “market signal” and build capabilities to produce more sustainable products. Examples of approaches we use:

- **Requirements:** Our [Standards for Suppliers](#) sets expectations for our suppliers; it is one of the foundations of our sustainability efforts. In November 2018, we also issued our [Human Rights Statement](#), which describes Walmart’s perspectives on human rights related to our own operations and how we engage

on these topics, including using grievance mechanisms, in our supply chain. See the [Sourcing responsibly](#) ✨ section of this report to learn more about our risk-based approach to monitoring and compliance with our standards.

- **Specifications:** Our merchants may specify attributes for the products that Walmart carries through the following mechanisms:
  - » **Issue-specific policies & guidelines:** To supplement our Standards for Suppliers, Walmart has developed sourcing policies and guidelines for particular categories and issues (such as seafood, apparel, plastic packaging and animal welfare, among others). We use these to encourage our suppliers to adopt best practices and clarify our expectations relevant to priority sustainability issues.
  - » **Certifications:** Based on input from our NGO partners, we ask our suppliers to certify that particular commodities such as palm oil, tuna, coffee and cotton have been produced with specific certifications (see

the [Natural capital](#) ✨ section of this report for more information on certifications and tracking of progress by commodity). Certifications help certifying organizations communicate to consumers that certain environmental or social practices deep in supply chains (e.g., farm or fishery) meet the certifying organization’s standards.

- » **Product and packaging specifications:** We have set a goal to have 100% of our private brand packaging be recyclable, reusable or industrially compostable by 2025.
- **Inclusive sourcing/financing:** Walmart aims to advance economic inclusion through programs such as our Supplier Inclusion Program and working with smaller suppliers in emerging markets, such as farmers in India.





## Supplier engagement & measurement programs

To encourage our suppliers to measure and make progress on sustainability issues, we ask our suppliers to report through THESIS and other industry measurement platforms such as CDP for carbon emissions. Walmart leads special initiatives with NGO expert support to scale improvements across our supplier base. For example, through Project Gigaton, more than 2,300 suppliers have formally signed on, and of those, more than 1,000 reported avoiding more than 136 MMT of CO<sub>2</sub>e in 2019, bringing the cumulative total to more than 230 MMT since we began measuring progress in 2017.<sup>3</sup> This past year, we released the Sustainability Packaging Playbook at our Walmart Sustainable Packaging Innovation Summit with hundreds of suppliers and packaging experts, and hosted sessions on reuse/refill approaches with the Ellen MacArthur Foundation. To encourage engagement in our Sustainable Chemistry initiative, in 2017, we released a [Sustainable Chemistry Implementation Guide](#), which provides suppliers with resources and information related to our Sustainable Chemistry goals. We also hold forums such as the Seafood Summit to share the latest science, solve technical problems and collaborate on sustainability projects.

## Industry consortia & initiatives

We also work with many companies, NGOs and consortia on collective initiatives to help advance progress on complex topics. For example, as a member of the Leadership Group for Responsible Recruitment, Walmart advocates for better government regulation of recruitment agencies and supports initiatives working to promote ethical recruitment of workers in Thailand and Malaysia. We are also members of the CGF Human Rights



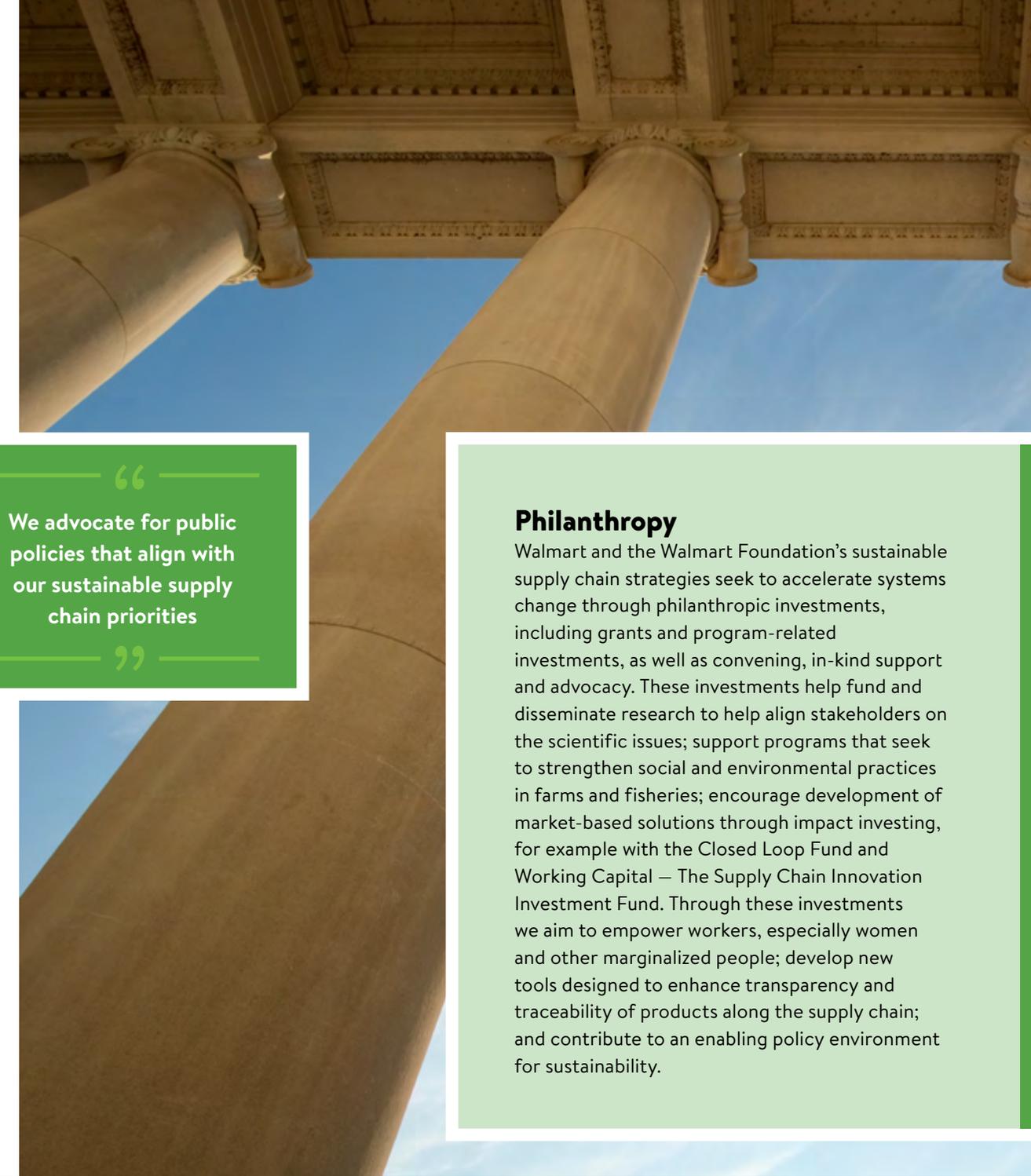
Coalition on Forced Labor and the Seafood Task Force, an international, multi-stakeholder initiative, both of which seek to address forced labor in supply chains.

## Customer engagement

To help our customers looking for more sustainable options, we use in-store signage and campaigns, we encourage suppliers to use product labeling and we share information on Walmart.com. For example, in FY2020 Walmart U.S. launched new sustainable seafood shelf signage, and we also provide plastic bag and film collection bins in many of our stores. We have asked all Walmart U.S. private brand suppliers to use the How2Recycle® label on their packaging. We developed the Great for You icon to identify private brand products that have met nutrition criteria informed by the 2015-2020 Dietary Guidelines for Americans, from the U.S. Food and Drug Administration, the U.S. Department of Agriculture and Institute of Medicine.

## Advocacy

We advocate for public policies that align with our sustainable supply chain priorities. For example, to create an enabling policy environment for climate action that also supports economic prosperity, we have advocated for country engagement in the Paris Agreement and Renewable Energy Buyers Principles. We have advocated for responsible recruitment through the Bali Process and direct engagement with government leaders in southeast Asia.



“  
We advocate for public policies that align with our sustainable supply chain priorities  
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## Philanthropy

Walmart and the Walmart Foundation’s sustainable supply chain strategies seek to accelerate systems change through philanthropic investments, including grants and program-related investments, as well as convening, in-kind support and advocacy. These investments help fund and disseminate research to help align stakeholders on the scientific issues; support programs that seek to strengthen social and environmental practices in farms and fisheries; encourage development of market-based solutions through impact investing, for example with the Closed Loop Fund and Working Capital – The Supply Chain Innovation Investment Fund. Through these investments we aim to empower workers, especially women and other marginalized people; develop new tools designed to enhance transparency and traceability of products along the supply chain; and contribute to an enabling policy environment for sustainability.



# Walmart sustainable supply chain focus areas

The tables on the following pages describe FY2020 sustainable product supply chain focus areas for Walmart by category to achieve aspirations for environmental and social sustainability.

Key: ■ Top priority ■ Special initiative(s) ■ Continuous improvement

*Walmart and the Walmart Foundation philanthropic initiatives marked in italics*

	Produce	Row crops	Specialty crops	Seafood	Meat/dairy	Packaged food	Consumables	Textiles	Across categories
<b>Climate</b>	Project Gigaton: Packaging, waste and agricultural practices	Project Gigaton: Agricultural practices	Project Gigaton: Forest positive practices		Project Gigaton: Forest positive and agricultural practices	Project Gigaton: Packaging, forest positive and agricultural practices	Project Gigaton: Packaging and energy utilization	Project Gigaton: Energy utilization	We Are Still In; Renewable Energy Buyers Alliance
<b>Zero waste</b>	Plastic and packaging: Reduction, recyclable and use of the How2Recycle® label  <i>Farm and retail food recovery</i>	Plastic and packaging: Reduction, recyclable and use of the How2Recycle® label	Plastic and packaging: Reduction, recyclable and use of the How2Recycle® label			Plastic and packaging: Reduction, recyclable and use of the How2Recycle® label	Plastic and packaging: Reduction, recyclable and use of the How2Recycle® label	<i>Textile Exchange investment</i>	Ellen MacArthur Foundation Plastics Pact; Walmart Sustainable Packaging Innovation Summit; Walmart Sustainable Packaging Playbook; CGF's Food and Plastic Waste Coalitions; Champions 12.3  <i>Closed Loop Fund and The Recycling Partnership recycling investments; University of Georgia recycling research</i>
<b>Natural capital regeneration</b>	Resilient and controlled environment farming	Founding member of Midwest Row Crop Collaborative	Sustainable Coffee Challenge; Tropical Forest Alliance and CGF engagement  <i>MapBiomass and Global Forest Watch monitoring tool investments</i>	Seafood Task Force engagement  <i>Pew and Global Fishing Watching monitoring tool investments</i>	Round Table for Sustainable Beef; Round Table for Sustainable Poultry; Field to Market	Certified palm oil; Tropical Forest Alliance and CGF engagement	100% certified or recycled pulp and paper	Higg Factory Efficiency Module; Zero Discharge of Hazardous Chemicals; Certified cotton	CGF Forest Positive Coalition; Business for Nature; Soy Moratorium; One Planet Business for Biodiversity



Key: ■ Top priority ■ Special initiative(s) ■ Continuous improvement

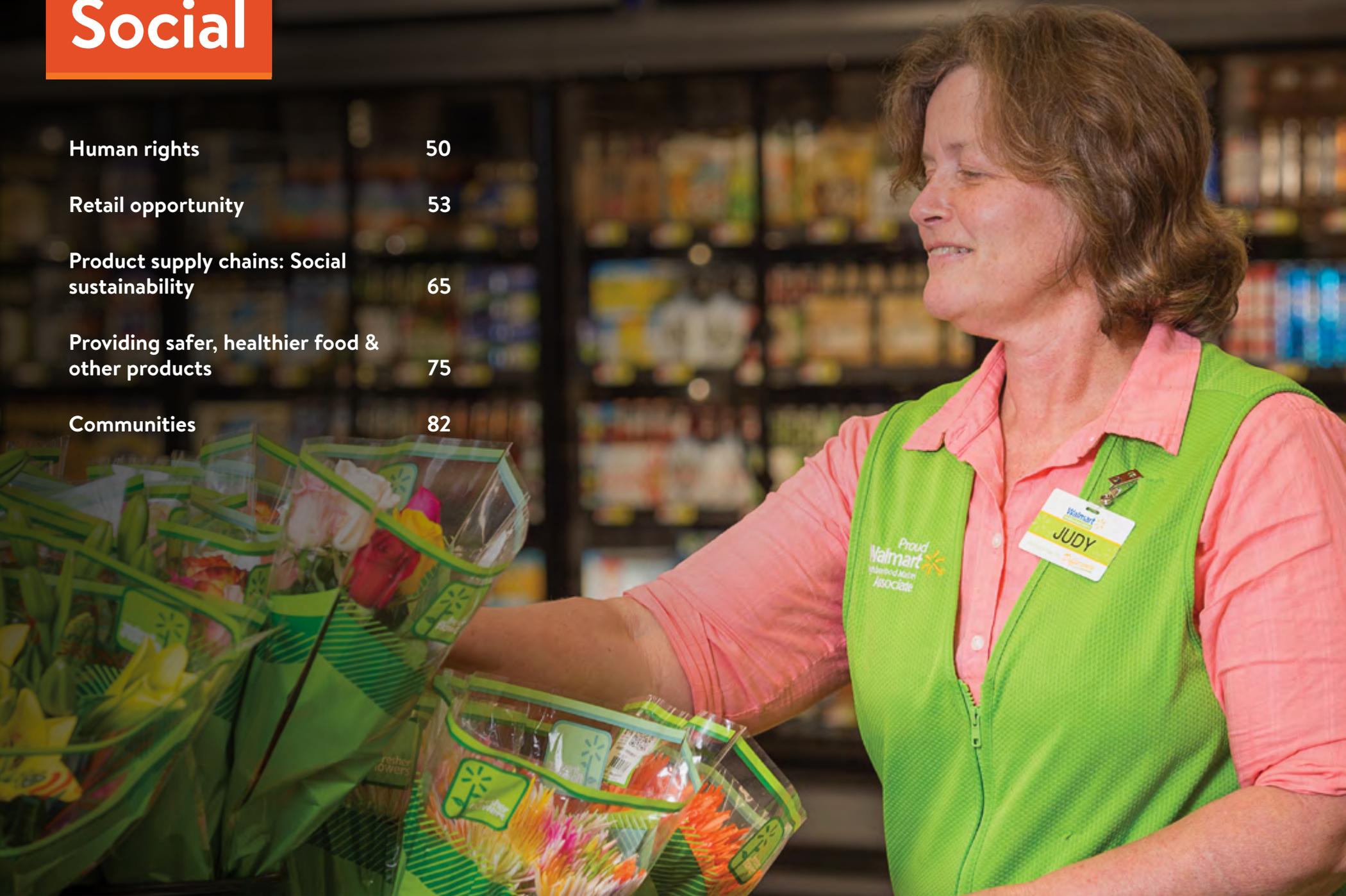
*Walmart and the Walmart Foundation philanthropic initiatives marked in italics*

	Produce	Row crops	Specialty crops	Seafood	Meat/dairy	Packaged food	Consumables	Textiles	Across categories
<b>Working conditions</b>	Ethical Charter implementation <i>Capacity building investments for responsible recruitment</i>			Seafood Task Force engagement; Issara Institute collaboration <i>Worker voice and responsible recruitment investments</i>				Worker safety standards: Nirapon in Bangladesh and LABS in Vietnam and India; certified cotton sourcing	Human Rights Statement; Leadership Group for Responsible Recruitment; CGF's Forced Labor Coalition <i>Responsible recruitment and worker voice investments</i>
<b>Inclusive economic opportunity</b>	Grow direct farm sourcing, including smallholders in Mexico, India and Central America <i>Launch of the Farmer Producer Organization Center of Excellence in India</i>		<i>Smallholders capacity building to reach certifications, diversify farm incomes and encourage climate-smart practices</i>	Fishery Improvement Projects (FIP) sourcing		Diverse sourcing	Diverse suppliers and producers sourcing		Diverse suppliers and producers sourcing <i>Women-led farmer producer organizations and Empower@Work Collaborative; gender equity investments</i>
<b>Safer, healthier products</b>	Seed innovation; Blockchain pilots to promote food safety and reduce food waste				Supplier engagement on antibiotics	Great for You label to highlight healthier options	Sustainable Chemistry initiative	Third-party supplier certifications for sustainable chemistry (e.g., OEKO-TEX)	<i>China Food Safety Collaboration Center Product Safety Program technology investments</i>



# Social

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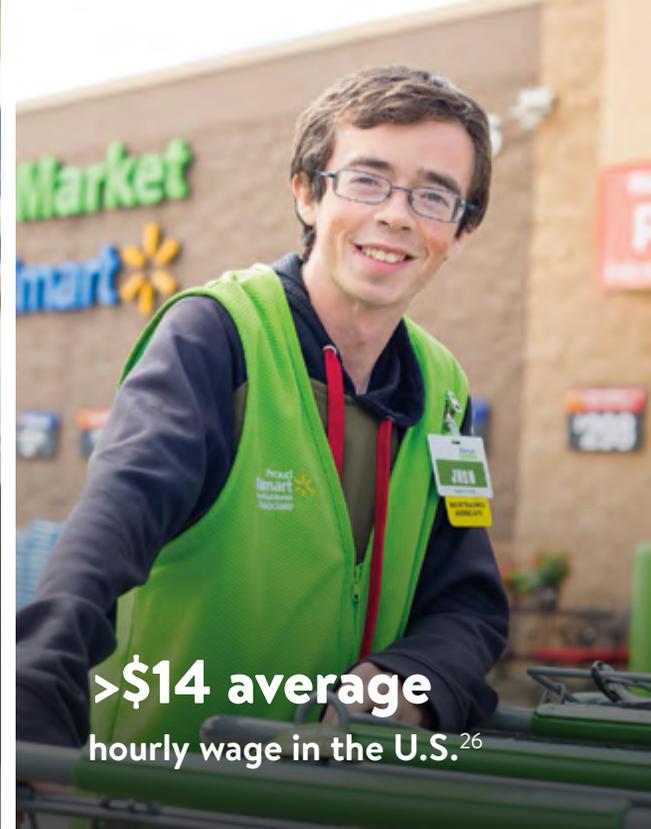




**~\$730 million paid**  
in bonuses to full-time and  
part-time U.S. hourly associates<sup>24</sup>



**>200,000**  
U.S. associates promoted to jobs  
of greater responsibility and  
higher pay<sup>25</sup>



**>\$14 average**  
hourly wage in the U.S.<sup>26</sup>



**>\$18 average**  
hourly total compensation  
including benefits in  
the U.S.<sup>27</sup>



**>\$11.7 billion**  
sourced from diverse  
suppliers in the U.S.<sup>28</sup>



**>1.8 million**  
U.S. associate trainings through  
Walmart Academy since 2016





# Human rights

Sam Walton, founder of Walmart, wanted his company to help people save money and live better. As a retailer, Walmart touches the lives of many – from our associates to the suppliers who provide the products and services we sell, to the customers and citizens in the communities where we operate.

We believe it is the responsibility of business to respect human rights, and we aspire to use our capabilities and influence to bring about positive change. Our approach to human rights is grounded in our culture and our values – Service to the Customer, Respect for the Individual, Strive for Excellence and Act with Integrity.

## Human rights statement and salient issues

In November 2018, we published our first [Human Rights Statement](#), which confirms our respect for human rights and articulates how our culture and values as well as international instruments, such as the U.N. Guiding Principles on Business and Human Rights (UNGP) and the International Labor Organization’s 1998 Declaration on Fundamental Principles and Rights at Work, inform our approach to human rights. These instruments provide inspiration on approaches to issues such as freedom of association and collective bargaining, forced or compulsory labor, child labor, and our approach against discrimination and harassment in employment. In 2019, inspired by these instruments, we identified our salient human rights issues. More detail regarding our aspirations and initiatives is provided throughout this report.

Salient human rights issues	Key aspects
<b>Treating workers with respect</b>	<ul style="list-style-type: none"> <li>• Pay; working hours</li> <li>• Freedom of association and collective bargaining</li> <li>• Meaningful opportunities for workers to be heard</li> </ul>
<b>Promoting a safe &amp; healthy work environment</b>	<ul style="list-style-type: none"> <li>• Physical safety and security of work premises</li> <li>• Workplace abuse</li> <li>• Healthy work environments</li> </ul>
<b>Providing a fair &amp; inclusive work environment</b>	<ul style="list-style-type: none"> <li>• Anti-discrimination and harassment</li> <li>• Diversity and inclusion</li> <li>• Gender equity</li> </ul>
<b>Combating forced &amp; underage labor</b>	<ul style="list-style-type: none"> <li>• Forced labor, including debt bondage</li> <li>• Underage labor</li> <li>• Vulnerability of migrant workers; responsible recruitment</li> <li>• Human trafficking</li> </ul>





## Governance

A cross-functional Human Rights Working Group (HRWG) supports Walmart teams in continuously advancing respect for human rights through our business. The working group includes representatives from functions such as Ethics & Compliance; Global People; Labor Relations; Responsible Sourcing; Culture, Diversity & Inclusion; Global Responsibility; Government Affairs; Communications; and Legal. It reports to the ESG Steering Committee, which is a management committee comprised of leaders from various Walmart teams that reviews ESG issues and priorities at Walmart. The ESG team, as part of Global Responsibility, coordinates the HRWG. In addition, our Chief Sustainability Officer and Executive Vice President of Corporate Affairs provides regular updates about our ESG initiatives to the Nominating and Governance Committee of Walmart's Board of Directors.

## Stakeholder engagement

We routinely engage with stakeholders to understand and benefit from their perspectives on human rights in retail and retail supply chains. For example, last year we met with several subject matter experts in the human rights field, including representatives from ICCR, the Institute for Human Rights and Business and Shift.

In addition, we participated in forums that address human rights issues. For example, Walmart leaders participated in the U.N. Business and Human Rights Conference and the Engaging Business Forum on Business and Human Rights hosted by The Coca-Cola Company. Such forums offer an opportunity to learn more about what is expected of businesses with respect to human rights.

As part of our ongoing work on initiatives such as Retail Opportunity and Responsible Recruitment, our teams engage stakeholders with experience addressing salient human rights issues, for example, the Issara Institute and International Justice Mission.

## Implementation

This past year, we have shared our Statement and salient issues with our associates and suppliers, worked to systematize our approach to human rights and pursued a number of initiatives related to salient issues covered elsewhere in this report. Highlights include:

- **Policies and disclosures analysis:** We conduct a periodic analysis of the policies and disclosures relevant to our salient human rights issues. The analysis helps prioritize changes to policies and disclosures, provides direction for new programs and ultimately improves our impact on people.
- **Retail opportunity analysis:** We conduct reviews of the effectiveness of Walmart's retail opportunity strategy, including Walmart U.S. human capital investments and the philanthropic Retail Opportunity program. These analyses suggest that the Walmart U.S. human capital strategy of access, stability and mobility has created value for associates. We recognize that upskilling and providing career paths for our associates may contribute to their long-term economic prosperity. We hope that our actions in this sphere have encouraged other employers and funders to invest in frontline retail workforce development.



- **Pay equity:** Fairness in pay is an important issue for our company. We are committed to creating a performance culture where associates are rewarded based on meaningful factors such as qualifications, experience, performance and the type of work they do. Our compensation plans and practices are designed to comply with applicable laws that require companies to pay their employees fairly and equitably. In the U.S., for example, relevant laws include Title VII of the Civil Rights Act and the Equal Pay Act, both of which require that men and women be given equal pay for equal work. Salary and wage ranges for our associates are based on objective factors, regardless of gender or race. We continually review our processes to make sure we are living up to our commitment to fair-pay practices.
- **Integration of social and environmental sustainability teams:** We transferred some associates working on special initiatives from the Responsible Sourcing teams into our Sustainability teams to strengthen our ability to pursue social as well as environmental initiatives in product supply chains. Responsible Sourcing teams remain focused on supplier compliance with Walmart's [Standards for Suppliers](#).
- **Dignity of workers in supply chains:** We collaborated with others to launch Nirapon and [Life and Building Safety \(LABS\)](#) and made progress in programs such as [Responsible recruitment](#) ✨ and [Market access](#) ✨.
- **Response to gun violence:** We shared our [response](#) to the tragic shootings in El Paso, Texas, and Southaven, Mississippi, and updated our [Firearms and Ammunition Guidelines](#).

## Grievance

Walmart employs multiple grievance mechanisms to solicit, assess and address the concerns of associates, customers, workers in the supply chain, people in communities where we operate and other stakeholders: anonymous hotlines; email and websites; direct engagement in small groups and surveys; a process we call “Open Door”; sentiment and content analysis of public social media postings; and assessment of facility audits. Additional information on these mechanisms is available in the [Stakeholder engagement](#) ✨ section of this report.

## Next steps

We expect that in the coming year we will continue to:

- Foster strong relationships with human rights thought leaders and stakeholders to continuously improve our practices and disclosures and identify new issues as they emerge.
- Engage our associates and suppliers as well as customers and the communities in which we operate in additional dialogue to increase understanding of human rights concepts and relevant initiatives.
- Advance our initiatives and disclosures related to our salient human rights, such as our work in Retail Opportunity; Culture, Diversity and Inclusion; Responsible Sourcing; Responsible Recruitment; and Market Access.



“ We believe it is the responsibility of business to respect human rights ”





## Retail opportunity

The retail industry serves as an entry point to the job market for many people. Retail jobs help people learn and hone foundational skills, including soft skills, that are relevant for any career.

As evolving customer demands and technology change the nature of work, retailers need to attract

and retain the right talent, as well as continually develop the workforce to thrive in an ever-changing retail environment.

Walmart is committed to making retail a place of opportunity where people can acquire the skills and experiences they need to advance.

Our frontline workforce development strategy focuses on creating access to employment, providing job stability and building mobility for professional advancement.

We believe this approach can contribute to creating value for our business — such as helping to improve the customer experience and providing additional mechanisms for lowering turnover — and for our associates, by providing additional career path opportunities and training toward new skills for advancement.



## Retail opportunity: Lessons learned over our five-year investment in our workforce

In 2015, Walmart U.S. launched Retail Opportunity, an initial five-year effort to strengthen jobs and advancement opportunities for frontline associates, which has included investments in **Access** ✨ (e.g., simplifying recruiting), **Stability** ✨ (e.g., enhancing wages, benefits, scheduling predictability and flexibility) and **Mobility** ✨ (e.g., new jobs and career paths, training, including Walmart Academy, and education benefits, including Live Better U).

In parallel, Walmart and the Walmart Foundation launched the Retail Opportunity philanthropic program, committing more than \$100 million in grants to strengthen the U.S. frontline workforce development system in retail and related sectors, with an emphasis on engaging employers and funders in innovative approaches to training and advancement.

We have also seen the critical role Walmart and the Walmart Foundation have played to help encourage other employers and funders to invest in frontline service sector worker upskilling.

Our analyses help clarify where our strategies deliver the most value and help surface improvement opportunities to consider as we seek to further strengthen our associate value proposition and continue to strengthen retail as a sector of opportunity for workers and communities. Key findings of our analyses and observations:

### Positive business case for employer investment in frontline workforce development

While retail employers often focus human capital investments on developing managerial or specialized talent (e.g., merchants, marketers), our reviews have indicated correlations between Walmart's frontline investments and business outcomes. For example, although we recognize that numerous factors contribute to these, Walmart has seen gains in business outcomes such as store sales and associate retention following our investments in scheduling enhancements, wages and training programs, such as the Walmart Academy. In addition, Walmart U.S. has had more than five consecutive years of positive comparable sales (from stores open for the previous 12 months as well as eCommerce sales), and turnover in our Walmart U.S. stores is down 15% – the lowest level in nearly five years.

### Perceived value among frontline associates

We have also seen that Walmart's human capital investments have created value for associates. In FY2020, more than 60% of U.S. hourly associates were full time (excluding Home Office associates). We increased our minimum hourly starting wage from \$7.25 to \$9.00 in 2015 and then to \$11.00 in 2018 (and the average wage for U.S. hourly associates is more

than \$14.00 per hour),<sup>26</sup> and more than 1.8 million associate trainings have been completed through Walmart Academy since 2016.

### Entry-level jobs can be a springboard for upward mobility

Graduates of the Walmart Academy are more likely to be retained: 81% are retained for an additional year. As of year-end FY2020, we promoted more than 200,000 U.S. store associates to jobs with higher pay and more responsibility.<sup>25</sup> More than 75% of our store operations management team members began as hourly associates.

### Key success factors for effective training

To create mobility for associates and value for business, we believe job training should follow principles of adult learning and focus on skills relevant for current jobs and advancement. For example, and as noted above, our Walmart Academy modules, which employ a range of learning approaches and tailored content, can deliver strong business outcomes and positive associate impact.

“  
Walmart's human capital strategy  
has created value for our associates  
and our business  
”

### Starting wage is one of several factors

While public discussion often centers on starting wage, we have found that wage increases relative to local market conditions (which vary widely, based on cost of living and tightness of local labor markets) matter. Furthermore, we have observed that total take-home compensation (which factors in benefits and number of hours worked), quality of the job (including nature of the job and relationships with peers/supervisors) and training for career advancement (e.g., Walmart Academy) also matter.

### Creating a movement for frontline workforce development

While the company has invested in improving the Walmart frontline associate experience, since 2015, Walmart and the Walmart Foundation contributed more than \$130 million to programs that support frontline retail and adjacent sector employees gaining new skills and advancing their careers. Walmart has engaged other funders as well as employers, community colleges, workforce boards and others to make the case for frontline workforce development and to create more innovative, effective approaches to training and advancement. The Retail Opportunity Community of Practice, launched in 2015, has grown to over 50 member organizations and is now run independently by FSG as the Retail Opportunity Network.





## Retail opportunity at Walmart

Walmart provides jobs for nearly 1.5 million people in the U.S. and more than 2.2 million worldwide. We offer a wide variety of career opportunities, low barriers to entry, competitive wages, benefits, on-the-job coaching and training, and debt-free education. While our roles range from merchant to computer engineer, and from pharmacist to agronomist, more than 90% of our U.S. associates work in frontline roles operating our stores and clubs, distribution and fulfillment centers, and fleet. The discussion below focuses on Walmart's approach to human capital development of our frontline workforce, using Walmart U.S. as an example.

### Access to employment

Entry-level jobs provide economic opportunity and paths to upward mobility, but sometimes people face barriers to employment. Walmart seeks to remove some of these obstacles. For example, we do not have arbitrary education requirements — even our store managers are not required to have a college degree — and we were one of the first

retailers to “ban the box” that asks about prior criminal convictions on the initial job application. Such efforts allow us to broaden our talent pool and provide more people with the opportunity to secure gainful employment, get valuable experience and advance on the job.

### Stability

We try to help associates maintain stability in their jobs so they are encouraged to stay with Walmart and grow their skills and knowledge. For example, in the U.S., we provide competitive pay and benefits, make scheduling predictable yet flexible, improve job design and use technology to make jobs more rewarding. We have also called on Congress to develop a thoughtful plan to increase the federal minimum wage.

### Full-time & part-time jobs

More than 60% of our U.S. hourly associates — excluding Home Office associates — are in full-time jobs. These jobs range from entry-level, hourly roles to supervisory and specialized roles in pharmacy or grocery. Furthermore, 98% of our U.S. supply chain associates, which includes those who work in

distribution and fulfillment centers, are full time. We also offer part-time roles, which help many associates supplement household income and build new skills while managing other interests and obligations.

### Scheduling

In a store with several hundred associates, scheduling is a complex task. There are many different scheduling demands, both for operating the store and managing the personal needs of individual people. Parents, caregivers and students all have different pressures on their time.

Last year, we completed the rollout of a scheduling system that gives associates more predictable and flexible scheduling options. The system includes a new app called *My Walmart Schedule* that enables associates to plan and adjust their schedules as their needs change.

- **Predictability:** We provide Walmart associates with notice of at least two weeks regarding their schedules. Many associates want even more predictability, so we provide a scheduling option called core hours. Associates with core-hour schedules normally work the same weekly shifts for at least 13 weeks, enabling them to plan and prioritize important responsibilities outside of work.
- **Flexibility:** The *My Walmart Schedule* app allows associates to easily view schedules, swap shifts with colleagues and pick up unfilled shifts, giving associates the ability to design schedules that work for them. We also provide cross-training to associates so they are eligible to work in different jobs across the store, giving them even more access to available hours.



## Pay

- **Starting wages:** While our starting wage in the U.S. varies by role and market, Walmart's minimum starting wage is \$11 per hour or more, depending on state and local laws. This starting wage is well above the U.S. federal minimum wage of \$7.25 per hour.
- **Average wages in stores:** Average wage for U.S. hourly associates is more than \$14.00 per hour.<sup>26</sup> Most key department manager roles can earn as much as \$24.70 per hour (not including bonuses and other benefits). Average total compensation including benefits (such as quarterly cash bonuses, paid time off, associate discounts, health care benefits and 401(k) company match) for an hourly U.S. associate is more than \$18.00 per hour.<sup>27</sup>
- **Average wages in distribution and fulfillment centers:** Average wage for associates who work in our U.S. supply chain, which includes distribution centers and fulfillment centers, is more than \$20.00 per hour. Average total compensation including benefits for supply chain associates is more than \$27.00 per hour, including wages, bonuses and benefits.
- **Bonuses:** In FY2020, hourly associates earned nearly \$730 million in quarterly cash bonuses in our U.S. stores, clubs and supply chain.<sup>24</sup>
- **Average compensation for store managers:** On average, a Walmart U.S. store manager earns more than \$180,000 per year.
- **Financial planning tools:** We provide all associates access to tools such as the Even app, which helps them budget for bills, savings and spending. When unexpected expenses occur,



our associates can also access earned wages ahead of scheduled paychecks.

## Benefits

- **Paid time off (PTO):** Walmart's U.S. PTO policy combines paid vacation, sick time, personal time and holiday time into one category. In addition to providing Regular PTO (which associates can take with supervisor approval), we rolled out Protected PTO nationally in February 2019. Protected PTO allows our hourly associates to earn up to 48 hours of paid time per year (more in some locations) that can be used any time to cover scheduled shifts without attendance consequences when they are unexpectedly not able to make it to work.
- **Expanded parental leave:** Walmart provides U.S. salaried and eligible full-time hourly associates with the same maternity and parental leave benefits.<sup>29</sup> Birth parents can access up to ten weeks of paid time off and six weeks of paid parental leave. Parental leave applies to

associates who become parents through birth, adoption or foster care placement. Birth moms can receive up to 16 weeks of total paid time away when maternity and parental leave are combined.

- **Health care:** Walmart aspires to be an employer of choice, offering associates better quality and a simpler experience at a lower cost. By being at the forefront of innovation, efficiency and effectiveness, we seek to set an example for other employers. We have created several first-in-the-nation programs to serve our associates.
  - » **Affordable health coverage:** Health coverage starts at around \$29 per pay period for all full- and part-time associates who have worked an average of 30 hours per week over the past 12 months. This is nearly half the average premium employees at other companies pay nationally.<sup>30</sup>



## Centers of Excellence

Through our Centers of Excellence (CoE) program, we have partnered with world-class health centers across the U.S. such as Mayo Clinic, Geisinger Medical Center and Cleveland Clinic to provide treatments such as spine surgery, cancer evaluations, joint replacement and organ transplants.

For associates enrolled in Walmart’s health care plans, the Centers of Excellence program covers all costs, including travel, lodging and meals for the associate and a caregiver companion (except in the case of weight loss surgery), and (with a few other exceptions) there are no co-payments, co-insurance or deductibles. This innovative program was featured in a [Harvard Business Review case study](#) last year.

The results of the CoE program are clear: based on analysis conducted in partnership with Geisinger Neuroscience Institute and Health Design Plus, Walmart associates who use the CoE program realize better outcomes than those that do not. For example, many CoE patients were able to pursue alternatives to spine surgery and joint replacements based on CoE assessment and care. Of those who did undergo surgery, re-admission rates were dramatically lower than non-CoE treatments. Recovery times were also shorter. More than 95% of Walmart plan members say they are “satisfied” or “very satisfied” with their treatment.

### CoE-realized outcomes are far superior

	Spine Surgery		Joint Replacement	
	CoE	Non-CoE	CoE	Non-CoE
 Surgery avoidance	54%	Unknown	20%	Unknown
 Re-admissions	0.3%	6.5%	1.5%	5.0%
 Length of stay	2.5 days	2.9 days	1.7 days	2.5 days
 Time off work	10.6 weeks	13.2 weeks	11.3 weeks	12.8 weeks

Source: [Harvard Business Review, March 2019](#)

- » **Centers of Excellence:** For associates enrolled in Walmart health care plans, our [Centers of Excellence](#) program provides access to some of the best specialists and hospitals for serious medical issues like cancer, kidney transplants, hip and knee replacements and spine surgery, often at zero cost.
- » **Grand Rounds:** Our program offers second expert medical opinions to associates enrolled in Walmart health care plans and helps with finding a highly rated doctor to see in person. This program is free for associates.
- » **Doctor on Demand:** For associates enrolled in Walmart health plans, Doctor on Demand allows affordable, nationwide, virtual access to health care providers for just \$4 per use.
- » **Digital care:** In a number of states, we are piloting enhancements, including digital care for chronic conditions with physicians assigned to associates, and one-stop digital support for all health needs, including finding quality providers, addressing billing issues and even concerns with access.
- » **Walton Life Fitness Pass:** For as little as \$9 per paycheck, a Walton Life Fitness Pass membership provides associates and their family members access to thousands of fitness centers nationwide.
- » **Counseling:** All associates can take advantage of Resources for Living, a free, confidential counseling and health information service.

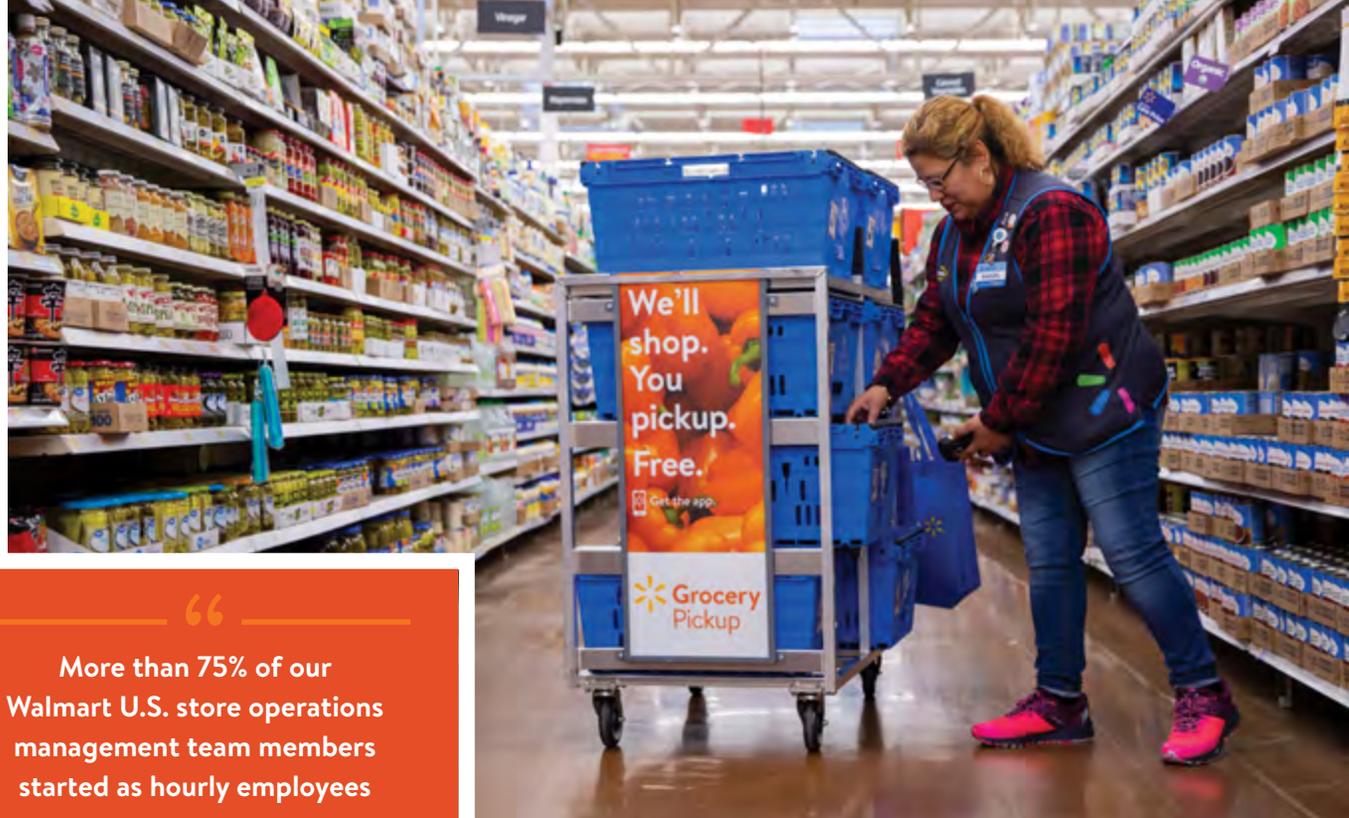


- **401(k):** We offer 401(k) contributions and provide full- and part-time hourly U.S. associates a match of up to 6% after one year for those who are credited with 1,000 hours of service during their first year. Associates are eligible to contribute to their 401(k) on their first day of work.
- **Employee Stock Purchase Plan:** Associates can participate in an associate stock purchase plan with company match. Walmart matches 15% of the first \$1,800 U.S. associates contribute to their stock purchase program each year, up to \$270 per plan year (age restrictions apply).

## Mobility

As technology continues to raise consumer expectations and transform the retail industry, Walmart needs an associate base with strong and diverse capabilities. At the same time, to thrive in their current jobs and advance in their careers, Walmart associates need to continuously learn and develop.

To help associates acquire the experiences and skills needed for success in the jobs of today and tomorrow, Walmart has invested in associate development — including new roles and career paths, cross-training, on-the-job coaching and training such as Walmart Academy, and access to education programs such as high school completion, college preparation and debt-free college degrees costing associates only \$1 a day. We also work with certain education providers to confer college credit for Walmart Academy training programs, which streamlines the process of getting a degree. Walmart fosters a culture that empowers associates to manage change, learn relevant job skills and be responsive and flexible.



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management team members  
started as hourly employees  
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Such opportunities are designed to help our associates to develop the knowledge and skills needed to advance within our company. In FY2020, we promoted more than 200,000 people to jobs of greater responsibility and higher pay in Walmart U.S.<sup>25</sup> More than 75% of our Walmart U.S. store operations management team members started as hourly employees, and Walmart store managers earn an average of \$180,000 per year in the U.S.

## Training programs

Walmart U.S. offers two structured training programs for associates at Walmart U.S. stores: Pathways and the Walmart Academy. Associates are paid for their time spent in training. Academy

teams create value through innovative learning experiences, including blending classroom education with sales floor applications.

### Building foundational skills through Pathways

Our Pathways training program is designed to help associates gain vital retail job skills, including customer service, merchandising, teamwork and communication. The program lets associates learn at their own pace via computers and connects associates with mentoring opportunities from supervisors who provide feedback on their job performance and highlight potential career opportunities.



## Building advanced skills through the Walmart Academy

The Walmart Academy offers hands-on, immersive learning that combines technology, classroom training and ongoing coaching on the sales floor. Using cutting-edge handheld devices and virtual reality, the program is structured to prepare associates for jobs as frontline hourly supervisors, department managers and assistant managers.

There are more than 200 Walmart Academy locations in the U.S., many of which are within an hour's drive of a Walmart store. Each Academy serves approximately 23 nearby stores. In addition, we are bringing the Academy's training directly into our stores to provide on-the-job coaching. In FY2020 alone, we completed more than 1.1 million associate trainings through Walmart Academy. Associates can receive college credit for their training at Walmart Academy. By the end of 2019, associates had already earned college credits worth more than \$2 million.

## Live Better U

Launched in June 2018, the Live Better U program brings Walmart's suite of education benefits together to make it easier for associates to access and navigate them.

In partnership with Guild Education, Walmart associates can earn their high school diploma at no cost to them. They can also earn an advanced certificate or college degree for \$1 a day (after financial aid, Walmart pays the remaining cost). By offering such affordable programs, Live Better U helps remove a barrier faced by many people in traditional tuition reimbursement programs.

## The future of work

Per a 2017 McKinsey & Company publication, research indicated that six in ten current occupations have more than 30% of activities that are technically automatable.

For the past several years, Walmart has been deploying technology to enhance jobs in ways we hope will better serve our associates and our customers.

- **Improving jobs:** We are automating tedious tasks, such as unloading trucks and polishing floors, and evolving roles so that associates can spend more of their time doing work that they find more meaningful, such as serving customers. Engaging associates in more value-added work should make our business more efficient and create a better experience for customers.
- **Creating new jobs:** To meet changing customer needs, technology has also allowed us to create new jobs such as personal shoppers for Online Grocery Pickup. Over the last two years we have placed more than 50,000 associates in roles supporting our in-store eCommerce fulfillment.

**While we do not yet know how the total number of jobs at Walmart will be affected by evolving customer demands and technologies, we believe job requirements will continue to change. We plan to manage this transition through investments in training and mobility, to set our associates up for success at Walmart and beyond.**



Available programs include associate's degrees, bachelor's degrees and certificates from eight education partners that were chosen based on the experience and completion rates of adult working learners. Last year, Live Better U added health care degree options, which can help associates qualify for opportunities in the growing health care field as well as support Walmart's evolving Health & Wellness strategy.

By the end of FY2020, more than 12,000 Walmart associates enrolled in Live Better U, and since the program's inception in June 2018, some have already earned an associate or bachelor's degree in an in-demand field. At the end of 2019, our associates had completed 88,000 college credits worth more than an estimated \$42 million.

Learn more at [Live Better U](#).

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At the end of 2019, our associates had completed 88,000 college credits worth more than an estimated \$42 million

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## Associate voice

Because associates are the core of our business, we encourage and expect all associates to participate in making the company a better place to work and shop. We seek to create a collaborative environment where people feel free to express opinions and feel their ideas and concerns are heard. To that end, we gather and respond to associates' feedback in a variety of ways, including in the U.S.:

- Personal, one-on-one interactions, including daily store huddles
- Team meetings
- Leadership communications
- OneWalmart (the company intranet)
- Facebook Workplace and other social media channels
- Email and other digital channels

Senior operations executives also conduct formal listening tours twice a year with associates across the U.S. Additional annual gatherings for associates typically include the Year Beginning Meeting, Holiday Meeting and Shareholders' Associate Week, an event attended by thousands of associates and stakeholders (many of these events have been held virtually in CY2020). Our U.S. CEO also holds quarterly town hall meetings with associates and weekly operations feedback calls with store managers. During these sessions, action items are assigned to field and home office associates, including officers, who are responsible for addressing each item.

Associate suggestions in such sessions have led to meaningful improvements in company policies. For example, last year Walmart unveiled a revamped attendance policy based directly on feedback from associates who wanted more flexibility to handle unexpected personal situations, while also being





rewarded for consistently showing up to work and serving our customers.

Our Open Door process is another resource that allows any associate – from entry level to the C-suite – to share ideas and raise an issue in good faith with leaders above and beyond their own supervisors at any time without fear of reprisal. Our Open Door philosophy is an integral part of our culture, reflecting a tradition of open communication and listening to our associates.

Additional information on our Open Door policy, including our stance against retaliation for concerns raised in good faith, as well as guidance for our associates on when and how to use our resources for sharing input, can be found in our [Statement of Ethics](#).

## Confidential resources

In addition to the communication avenues described previously, associates have access to a variety of confidential resources to report a concern or grievance. Walmart strictly forbids retaliation against any associate who reports a concern in good faith. Reports can be made anonymously and will be treated as confidential.

To ask a question or report an ethics violation, associates can contact Walmart Global Ethics at [WalmartEthics.com](https://WalmartEthics.com), via email at [ethics@walmart.com](mailto:ethics@walmart.com) or **1-800-WM-ETHIC** in the U.S., Puerto Rico and Canada. Our [Statement of Ethics](#) outlines resources available globally.

Learn more on our [Ethics and Compliance website](#).

## Philanthropy: Retail opportunity across the sector

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

Through the end of FY2020, Walmart and the Walmart Foundation have invested more than \$130 million in organizations working to accelerate retail and related sector employee advancement. The initiative includes:

- Generating and sharing insights into retail as a sector of opportunity
- Building innovative approaches to training workers and providing them opportunities for advancement
- Engaging employers, training providers and others to share best practices and improve worker training and advancement in local workforce ecosystems

Learn more about our Retail Opportunity Initiative at [Walmart.org](https://Walmart.org).



## Freedom of association

One of our enduring core values since Sam Walton founded the company is Respect for the Individual.

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

Manager and associate trainings include information on labor rights, including associates' and Walmart's responsibilities regarding freedom of association. Walmart aims to comply with all applicable laws and practices, and we provide resources for Walmart associates with questions regarding these laws. We encourage any associate with questions on labor rights to contact Walmart Ethics. For more information on associate training, please see the [Training](#) ✨ section of this report.

Globally, Walmart has associates who are represented by some form of third-party representation in more than half of the 27 countries where we operate.

## Fostering inclusion

Our people and culture equip us to serve the growing diversity of the more than 265 million customers who shop in our stores or online each week.

### Our approach

We seek an inclusive culture where all associates and customers feel like they belong and are empowered to be themselves. To foster diversity and inclusion within Walmart, we believe in setting a foundation for sustainable change across the enterprise. One way we do this is by integrating culture, diversity and inclusion principles throughout the associate life

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cycle — recruit, hire, develop, promote and retire. Four principles guide our approach:

- **Objectivity:** Minimize subjectivity to reduce the risk of bias in talent processes
- **Transparency:** Increase access to information through communication and collaboration
- **Data-driven decisions:** Collect and analyze data, and generate verifiable insights to make better decisions
- **Accountability:** Promote action through ownership and acceptance of responsibility for inclusive behaviors

According to our annual Associate Engagement Survey, of those that took the survey, 71% of our U.S. associates (excluding Home Office associates) agreed with the statement “I feel I am part of a team.”

## Culture, Diversity & Inclusion scorecard

The Culture, Diversity & Inclusion (CDI) scorecard, introduced in 2016, provides senior Walmart leadership with reoccurring updates on representation and movement (hires, promotions, turnover) of women and people of color at the officer level. A report is provided monthly to the President and CEO and quarterly to the Compensation, Management and Development Committee (CMDC) of the Board of Directors of Walmart Inc. Building on the scorecard, our CDI dashboards equip senior leaders with data and insights about the diversity within their business units. Leaders receive training on how to use the dashboard to create action plans for their teams.

Please see the [Board of Directors](#) ✨ section of this report for information on board diversity.

## Representation of people of color at Walmart<sup>31</sup>



### Total U.S. workforce



## Representation of women at Walmart<sup>31</sup>



### Total U.S. workforce



Percentages are rounded down to the nearest whole figure

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



## Fair pay

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

Our compensation plans and practices are designed to comply with applicable laws that require companies to pay their employees fairly and equitably. In the U.S., for example, relevant laws include Title VII of the Civil Rights Act and the Equal Pay Act, both of which require that men and women be given equal pay for equal work. Salary and wage ranges for our associates are based on objective factors, regardless of gender or race. We continually review our processes to make sure we are living up to our commitment to fair-pay practices.



## Recognition



100 score on the Disability Equality Index



100 score on the Human Rights Campaign's Corporate Equality Index



Bloomberg 2020 Gender-Equality Index



Hispanic Association on Corporate Responsibility Corporate Inclusion Index – 5-Star in Governance and Procurement



Diversity Inc's 2019 Top 50 Companies

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





## Product supply chains: Social sustainability

Walmart's supply chain reaches more than 100,000 suppliers globally. We expect all of them to operate responsibly, including abiding by applicable labor and employment laws.

Promoting responsible labor practices in our supply chain helps mitigate business risks; we make our expectations clear in our [Standards for Suppliers](#). We promote transparency and enable enforcement with a robust monitoring system that focuses audits on geographies with the greatest potential for problems.

We also collaborate across industries and with organizations around the world to encourage responsible practices beyond our own sourcing programs and create economic opportunities for

people around the world through sourcing. Through special initiatives and our compliance program, we help combat practices such as forced and underage labor and unsafe working conditions, and we help promote inclusive sourcing, including the empowerment of women in supply chains.

Below we provide more detail on our initiatives related to social issues in retail product supply chains. See the [Product supply chains: Sustainability overview](#) ✨ section of this report for a discussion of our integrated approach to sustainability, including environmental and social initiatives, in product supply chains.

### Sourcing responsibly

Given our size and global footprint, Walmart has an opportunity to use our purchasing capabilities to improve our supply chain conditions. Walmart's associates working on responsible sourcing around the world assess risk, monitor conditions through audit assessments and investigations, provide training resources and collaborate with stakeholders on industry-wide issues. Team members working on responsible sourcing also act as resources for fellow Walmart associates, helping them better understand and navigate potential risks associated with various geographies and industries.



## Standards for suppliers

Promoting good working conditions throughout our supply chain begins by clearly articulating our [Standards for Suppliers](#), which apply to those who sell their products to us for resale, as well as the facilities and agents they use. These foundational expectations address concerns such as worker safety and discrimination in the workplace and are part of the standard Walmart supplier agreement. Among other obligations in our Standards for Suppliers, suppliers and those who supply to them must:

- Comply with the laws of the places where we operate

- Be transparent in their production for Walmart
- Not use involuntary or underage labor
- Take steps to recruit responsibly, including not charging vulnerable workers recruitment or similar fees
- Maintain a fair process for making employment decisions
- Provide a safe work environment
- Comply with all applicable laws and agreements regarding compensation, working hours and freedom of association and collective bargaining

To help us address regional supply chain challenges and build strong connections with local suppliers, Walmart has associates in countries around the world. As of January 31, 2020, we had more than 70 Responsible Sourcing Compliance associates located in 15 countries.

We provide helpful, optional tools and resources for suppliers on our [website](#) and through our [Responsible Sourcing Academy](#), which includes training, best practices and educational materials developed by third parties and Walmart. More than 7,500 supplier representatives have opted to register for this assistance provided through the Responsible Sourcing Academy since 2017.



## Monitoring

We monitor suppliers' facilities, primarily through third parties, for compliance with our standards, even where there are no allegations of misconduct. Our monitoring program begins with our requirement that suppliers disclose to us any facilities producing private brand products or products that are imported from suppliers by Walmart. In some markets and based on risk, we require additional facilities to be disclosed. Consistent with our [Disclosure](#) and [Audit](#) policies, we rely on third-party auditing programs, as necessary, to monitor suppliers' social compliance at these disclosed facilities.

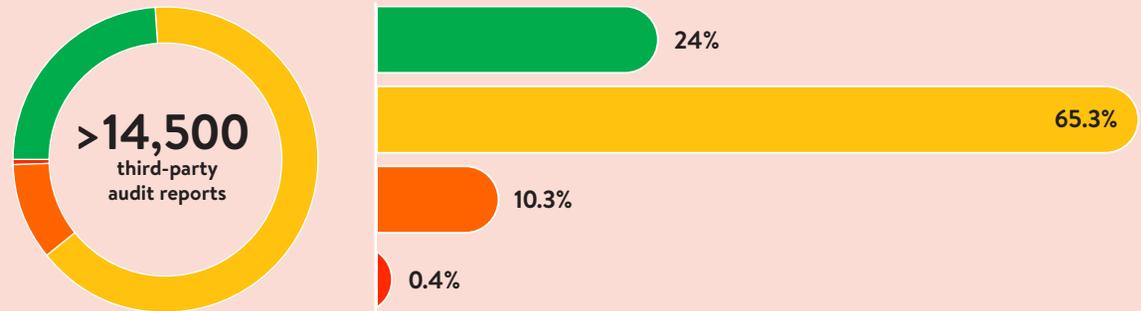
To determine where regular audits will be required, we assign countries a risk level based on World Bank governance indicators. Facilities in countries that fall into the higher and medium levels of risk are typically subject to regular audits. Facilities in lower-risk countries are typically subject to audits on a less frequent basis.

Walmart reviews each third-party facility audit and assigns a color rating to describe its compliance level. Facilities labeled green have the highest level of compliance, yellow facilities have minimal issues to be addressed and orange facilities have more significant standards issues that must be remediated. Red ratings indicate serious issues that could lead to the facility no longer being authorized to produce products for sale at Walmart.

Walmart also has several mechanisms for workers to raise concerns, and we require facilities producing for Walmart private brands to post signage in the local language that details how workers can use these grievance mechanisms. Additional details on these grievance mechanisms, including the global helpline, email address and [WalmartEthics.com](https://www.walmart.com/ethics) are

## Social compliance audits

Of the more than 14,500 third-party audit reports Walmart assessed in FY2020, 24% received green ratings, 65.3% received yellow, 10.3% received orange and 0.4% received red.



Note: As facilities in countries with higher levels of risk are subject to more frequent audits than facilities in lower-risk countries, this data skews towards those facilities in higher-risk countries. In addition to these audits, Walmart assessed 355 facilities through its small supplier compliance program.



available in the [Stakeholder engagement](#) ✨ section of this report.

If we receive information alleging serious violations by our suppliers or their facilities of our standards, we evaluate those allegations through a case management process. In FY2020, more than 700 cases were managed by Responsible Sourcing Compliance related to allegations of misconduct within the supply chain. In some cases, this follow-up involves engaging with suppliers directly to discuss the allegations, clarify expectations and follow up on remediation. In more serious cases, we deploy investigators to gather facts about the allegations through on-site investigations and other means. For example, serious allegations that may warrant in-depth scrutiny could include indicators of forced labor, such as restriction of movement and excessive recruitment fees.

In our experience, staying engaged with a supplier through dialogue can have a more positive impact than simply abandoning a supplier relationship. In FY2020, more than 400 facilities were remediated from orange to either yellow or green assessments. However, instances of non-compliance with our standards can result in consequences up to and including termination of a supplier's relationship with Walmart and our subsidiaries. Since 2012, we have stopped doing business with 35 suppliers in response to serious violations of our standards.

Learn more at our [Responsible Sourcing website](#).





## Strengthening capacity of global audit systems

We are collaborating with our peers and key stakeholders to strengthen and standardize expectations to drive improvement across supply chains – both within our company and beyond it. The Association of Professional Social Compliance Auditors (APSCA) was established to enhance the professionalism, consistency and credibility of the individuals and organizations performing independent social compliance audits. Walmart is a supporter of APSCA, and a Walmart representative is a member of the APSCA Stakeholder and Executive boards. As of January 2020, APSCA reported that more than 4,200 auditors had enrolled with APSCA.

## Addressing social issues in the supply chain

Complex social issues such as forced labor, worker safety and gender equity extend well beyond Walmart's supply chain. In addition to enforcing compliance with our own [Standards for Suppliers](#), Walmart and the Walmart Foundation work across industries, geographies and stakeholder groups to help advance systemic change by:

- Investing in research to understand the prevalence of social concerns in industry supply chains and/or a region and track progress toward improvement
- Engaging with governments to advocate for policy change or enforcement of current laws and regulations

- Collaborating with key stakeholders and thought leaders in task forces and consortia
- Supporting capacity in critical parts of the system (e.g., responsible recruitment, worker communication tools and monitoring technology)

Such efforts reflect our commitment to engage with partners to address potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025, focusing on reducing forced labor and promoting worker safety and gender equity.

We have identified five supply chains to date:

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

One important way we gain insights into these supply chains and the day-to-day experiences of workers is through on-site visits. In 2019, cross-functional teams from Walmart undertook several such visits (for example, speaking with apparel workers in Bangladesh and visiting tuna processing plants in Thailand), which not only improve our ability to collaborate on systems change, but also help us improve our merchandising and responsible sourcing practices. These visits help us better understand the perspectives and experiences of the workers in particularly complex supply chains.



## Forced labor

By the end of 2026, Walmart wants responsible recruitment to be the standard business practice for employers throughout the global supply chain. In addition to incorporating responsible recruitment expectations into our [Standards for Suppliers](#) and [other policies](#), Walmart works with businesses, suppliers, governments and members of civil society to understand the root causes of forced labor and human trafficking, such as lack of government enforcement, vulnerability of populations and other factors. Migrant workers, for instance, may be particularly vulnerable to unethical recruitment practices and debt accumulation from fees charged by some labor brokers.

Philanthropic and collective action efforts, through Walmart and the Walmart Foundation, aim to decrease the risk of forced labor through investments focused on:

1. Strengthening demand for responsible labor and practices
2. Using data and technology to increase transparency about labor practices
3. Enhancing worker and community voices
4. Supporting efforts to improve enforcement of existing regulations

## Philanthropic & collective action efforts to help decrease the risk of forced labor: Example actions

- **FishWise:** In FY2020, the Walmart Foundation provided support to FishWise to expand its RISE (Roadmap for Improving Seafood Ethics) platform, which details steps companies can take to improve evaluation and monitoring of labor practices in seafood supply chains.
- **International Justice Mission:** In FY2020, the Walmart Foundation made its third grant to International Justice Mission (IJM), which works alongside government agencies in Thailand, Cambodia and Myanmar to combat human trafficking networks in the Thai fishing industry.
- **International Organization for Migration:** Walmart engaged this group to better understand the scope and scale of migrant labor in Walmart's supply chains in Thailand and Malaysia. To help build the leadership capacity of suppliers' facilities and their recruiters on ethical recruitment and migrant worker protection, the project delivered training to increase awareness of responsible recruitment practices and effective actions to improve the recruitment process of migrant workers and decrease the risk of workers exploitation. The International Organization for Migration has trained facilities in Thailand and Malaysia on managing the risks of migrant worker exploitation and trained recruiters on ethical recruitment in Indonesia, Nepal, Malaysia, Cambodia, Thailand, Bangladesh and Myanmar.
- **Leadership Group for Responsible Recruitment (LGRR):** Walmart has been a member of this company-led collective advocacy platform since 2016. LGRR collaborates with other businesses, the recruitment industry and governments to create demand for responsible recruitment, increase supply of ethically sourced labor and improve protections for migrant workers through effective regulation.
- **Responsible Labor Initiative:** Walmart joined the Responsible Business Alliance's Responsible Labor Initiative steering committee to bring together stakeholders from multiple industries that share recruitment supply chains to promote due diligence in labor practices and ensure that the rights of vulnerable workers are upheld. Walmart is also an active member of the Responsible Labor Initiative working group.
- **Seafood Task Force:** Walmart has been a member of this international, multi-stakeholder initiative to address forced labor and illegal fishing in the Thai seafood industry since 2015. We have been a member of the organization's board since 2016 and are a member of several of its working subgroups. The Seafood Task Force has developed a [Code of Conduct](#); established a system to track products across the supply chain; worked with government and industry stakeholders to improve regulation and codes of conduct; and championed fishery improvement projects. In FY2019, the Seafood Task Force developed the Vessel Auditable Standards, which the tuna subgroup used as a tool to raise awareness with fishing vessel representatives in selected locations in FY2020.



## Worker safety

Walmart expects our suppliers to provide a safe working environment. To help address systemic issues affecting worker conditions more broadly, we collaborate with industry, NGOs, worker organizations and local governments.

One program we support is the [Life and Building Safety \(LABS\) initiative](#). We are founding members and are on the steering committee of LABS, in which European and American brands come together to set international best practices around factory safety in the apparel and footwear industries. LABS works with engineering companies to develop country-specific standards for safety in factories, commissions audits around fire, electrical and structural risks, asks factories to develop supervised Corrective Action Plans to remediate the problems and then assesses plan implementation. LABS also makes available training for factory workers on safety, how to maintain fire prevention systems and how to use the LABS helpline to report building safety concerns. The initiative is currently active in India and Vietnam.

In addition, in 2013, Walmart became a founding member of the Alliance for Bangladesh Worker Safety, which concluded its mission at the end of 2018 after training nearly 1.6 million factory employees on basic safety and providing more than 1.5 million workers in 1,000 factories with access to

a helpline to anonymously report safety or other job-related concerns. Furthermore, 93% of total remediation items across Alliance-affiliated factories are complete – including 90% of items most critical to life safety. Now that the Alliance for Bangladesh Worker Safety is concluded, we are continuing our efforts in the region. We monitor safety in our suppliers' apparel facilities in Bangladesh, and we are working with other brands and retailers through Nirapon, an organization focused on monitoring ongoing safety compliance and maintaining the progress made on safety in the industry. Learn more about our work on remediation, capacity building and support for the workers of Bangladesh on our [Responsible Sourcing site](#).

## Gender equity

We have worked to meaningfully advance gender equity in factories, farms and women-owned businesses in industry supply chains over the past decade. Much of our work began in 2011, when Walmart and the Walmart Foundation undertook a five-year Women's Economic Empowerment (WEE) initiative, which culminated in the successful completion of a commitment from Walmart to source \$20 billion from women-owned businesses for its U.S. business and from the Walmart Foundation to support training for 1 million women on farms, in factories and in retail.



## Truckers Against Trafficking

Walmart supports the nonprofit Truckers Against Trafficking, which trains transportation professionals to recognize and report suspected human trafficking incidents. In 2019, Walmart incorporated the Truckers Against Trafficking training into both the reoccurring driver training program and the new-driver onboarding process for our private fleet drivers.



## Cross-cutting initiatives

The issues of forced labor, worker safety and gender equity often intersect with each other and with other social and environmental issues.

Walmart was part of the group that led the creation of the Ethical Charter on Responsible Labor Practices in the produce and agricultural supply chains. We helped bring together two of the largest produce associations and their members (produce suppliers and buyers) to agree on guiding principles for worker treatment, including forced labor and worker safety.

Since launching the charter in 2018, its endorsers have been working on a project that aims to develop and pilot non-audit approaches focused on management systems, such as self-assessment, self-guided actions and capacity building for managers and workers for the Charter's implementation. The approach will be piloted with selected suppliers in 2020, and the learnings from the pilot will be shared with the industry associations of the Charter.

Walmart embedded the lessons learned from these initiatives into the everyday operations of our business and our philanthropy. For example, Walmart and the Walmart Foundation seek to advance gender equity through our grant making in programs such as Market Access, Retail Opportunity and Healthier Food for All. Walmart also contributed funding to create open-source content for the [Empower@Work Collaborative](#), a platform to drive collective action in global supply chains to benefit women workers and advance gender equity. We continue to integrate efforts to support gender equity throughout our business, ranging from responsible sourcing standards and social auditing practices along the supply chain to internal gender equity policies, practices and commitments.

## Inclusive sourcing

Retail supply chains can create economic opportunity for the millions of people around the world who produce food and other products. Our global purchasing capabilities act as one means to support economic inclusion of diverse suppliers, smallholder farmers and local producers — particularly in new and emerging markets.

## Diverse sourcing

A diverse supply chain helps us deliver the products and services our customers want and need. This is reflected in our [Supplier Inclusion Statement](#). In the U.S., we sourced more than \$11.7 billion in goods and services from approximately 2,900 diverse suppliers in FY2020.<sup>28</sup>

Using business owner definitions from the National Minority Supplier Development Council and Women's Business Enterprise National Council, we track diversity in our supply chain across ten classifications: Women, Black, Asian American, Hispanic American, Native American, Native Alaskan, members of the LGBTQ+ community, veterans, disabled veterans and other persons with disabilities.

In 2019, we received recognition from the Women's Business Enterprise National Council as one of America's Top Corporations for Women's Business Enterprise, earned five stars from the Hispanic Association on Corporate Responsibility's Corporate Inclusion Index for Governance and Procurement and were named to the Omni50 as one of America's Top 50 Corporations for Multicultural Business Opportunities.

For more information on our supplier diversity work, please see our [Supplier Inclusion website](#).

“  
Retail supply chains can create economic opportunity for the millions of people around the world who produce food and other products  
”



## Market access for smallholders in emerging markets

Walmart and the Walmart Foundation support initiatives that strive to remove systemic barriers to market access for smallholder farmers and entrepreneurs.

### Smallholder farmers

Since 2017, the Walmart Foundation awarded grants of more than \$37 million to benefit smallholder farmers in India, Mexico and Central America. These grants are expected to reach more than 175,000 smallholder farmers, 35% of whom are women. Our support includes investments in initiatives that help Farmer Producer Organizations build capacity, establish regional solutions and reach many smallholder farmers. Priority investments

include sustainable practices — such as irrigation and product traceability — and infrastructure development for post-harvest crop production.

For example, in India where smallholder farmers represent the backbone of the country's economy, the Walmart Foundation, working beyond Walmart's supply chain, made a commitment in 2018 to invest \$25 million over five years to strengthen farmer producer organizations and farm yields. Through FY2020, the Walmart Foundation has invested more than \$13 million in grants working with more than 96,000 smallholders, 34,500 of them women.

### Small enterprises

Walmart and the Walmart Foundation also seek to create opportunity for individuals operating small enterprises in South Africa. A Walmart Foundation

grant to the University of Pretoria's Gordon Institute of Business engaged 247 township-based retail sector entrepreneurs across South Africa with technical support, capacity development and classroom-based training to grow their businesses. Walmart's South Africa subsidiary, Massmart, has since 2015 procured more than \$70 million worth of products from small, local manufacturers participating in its local Supplier Development Program. In total, Massmart procures more than \$215 million from small businesses annually, of which more than \$20 million was from Supplier Development participants in 2019.

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



## Investing in American jobs

According to data from our suppliers, about two-thirds of what Walmart U.S. spends on products is dedicated to securing items made, sourced or grown in the U.S.

Through our America at Work initiative, we committed to invest an incremental \$250 billion in products that support the creation of American jobs between 2013 and 2023. To date, we have achieved 87% of our expected targets, while delivering value for customers.

To help grow our pipeline of U.S.-made products, Walmart hosted our sixth annual Open Call for new U.S.-made products in June 2019. More than 450 companies from 43 states, Washington, D.C., and Puerto Rico attended, some of which secured deals to supply U.S.-made products that have begun appearing on Walmart store shelves and on Walmart.com.

Additional activities include:

- Releasing a [report on the future of work](#) in the U.S. on a county-by-county basis
- Enhancing our [Jobs in U.S. Manufacturing Portal](#) for suppliers by adding external resources about the U.S. manufacturing industry



“  
Through our America at Work initiative, we committed to invest an incremental \$250 billion in products that support the creation of American jobs between 2013 and 2023  
”





# Providing safer, healthier food & other products

## Food

### Food safety

Walmart aims to provide access to safe, high-quality food to millions of customers worldwide. We maintain a Global Food Safety Compliance team comprised of experienced food safety professionals who are responsible for overseeing a comprehensive Food Safety program and ensuring adherence to our Global [Food Safety Policy](#).

We assess compliance with Walmart food safety standards, processes, conditions and expected behaviors through regular, independent third-party food safety audits of our stores and clubs that prepare fresh food. We conduct these

risk-based audits to verify that our stores are operating safely and in compliance with laws and regulations. In FY2020, we conducted more than 138,000 independent food safety audits at our stores and clubs globally. We believe in continuous improvement and are always seeking better ways to mitigate risk and challenge the status quo.

We have been a long-time supporter of the [Global Food Safety Initiative \(GFSI\)](#), which is an important part of our efforts to promote food safety among suppliers; we remain committed to this effort. It enables us to take a global, unified approach. As a member of the GFSI Board and advisory group, Walmart focuses on supporting the need for science-based, quality audits and growing the global pool of high-quality auditors.

We require medium and large private brand suppliers, Walmart-owned manufacturing facilities and select categories of national brand suppliers to work toward certification against one of the GFSI benchmarked standards. Small and developing private brand suppliers are required to be assessed against the GFSI Global Markets program or equivalent. We have recognized that in some markets there are a number of small and developing suppliers who need additional help to meet Walmart's requirements of achieving full certification against a GFSI benchmarked standard.

Beyond certification and audits, we embrace innovation and technology such as blockchain to improve transparency and traceability of food to deliver a better shopping experience while limiting



the scope of outbreaks and recalls. Blockchain technology can enable greater accountability, improved safety and more sustainable practices by providing greater visibility into supply chains. We established a blockchain platform in the U.S. to help trace foods in our supply chain, and a majority of our fresh leafy greens suppliers have onboarded to a blockchain platform. The success of that rollout encouraged us to communicate the same expectation of using a blockchain platform to our green bell pepper suppliers. In 2020, we are focused on expanding our blockchain technology to additional food commodities.

In China, Walmart created the Walmart Food Safety Collaboration Center (WFSCC) in 2016 to bring together stakeholders across industry, government, academia and trade associations to address the root causes of foodborne illness. The center focuses on

three aspects of the food safety system: innovation, education and policy support.

This center's work is also supported by philanthropic investments from Walmart and the Walmart Foundation. In 2016, Walmart and the Walmart Foundation announced a plan to invest \$25 million in funding over five years to support research projects in applied science, education and communications that enhance Chinese food safety. Since 2016, Walmart and the Walmart Foundation have spent more than \$22.5 million to meet this goal.

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

For more information on our Food Safety program, including our food- and sourcing-related policies, please visit our [Food Safety](#) and [Policies](#) websites.

## Competition spurs innovation in food safety

The Walmart Food Safety Innovation Pipeline competition organized by the Walmart Food Safety Collaboration Center brings together different key actors from across the value chain to identify critical food safety issues and challenge fresh thinking on solutions. The Innovation Pipeline ultimately aims to fast track the most promising solutions by testing them in the real-world supply chains of Walmart and our partners. This year's competition drew more than 60 applicants from across Asia, the Middle East and North America.

Throughout the four-month competition, select applicants received tailored advice from global business leaders on the Innovation Pipeline's governing Innovation Council to improve their prospects for pilot and investment opportunities. During the final November 2019 pitch session, Walmart U.S., Walmart China, New Hope Liuhe, Want Want Group, Sustenture/Pacific Insights and Jiangmen selected eight different finalists for exclusive discussions on proof of concept and other business opportunities.

### WFSCC focus areas



#### Innovation

Convening universities, technology firms, agencies, think tanks and industry peers to identify, test and promote innovations that accelerate a safer food system.



#### Education

Providing tools to children, parents, consumers and small and medium enterprises to make better decisions when it comes food safety.



#### Policy support

Supporting academic work on food safety laws, regulations and policies to help inform policymakers on key issues related to food safety.



## Food access & nutrition

Access to safe, healthier and affordable food is foundational for good health in communities.

### Access

With more than 11,500 stores around the world, we provide access to low-cost, nutritious food for millions of people. Through our online grocery pick-up and delivery offerings, we're able to reach large numbers of people with our omni-channel approach.

For over a decade, we have also made significant strides in improving food access for those in need through food donations and by strengthening the charitable meal system, particularly in the U.S., Canada and the U.K. In FY2020, Walmart stores, clubs and distribution centers in the U.S. donated more than 585 million pounds of food, 65% of which was fruits, vegetables, dairy and meats.

Our food donations are complemented by additional philanthropic investments that increase access to nutritious food. Walmart and the Walmart Foundation support organizations that are working to develop innovative, evidence-based programs like fresh mobile markets, e-pantry mobile applications, produce prescription programs and partnerships between public health, childcare and food researchers that develop meal kits for underserved populations.

### Enabling healthier choices

Walmart enables our customers to make healthier choices by offering nutritious food at affordable prices and an expanded assortment of fresh food, especially produce, organics and Great Value products. Walmart and the Walmart Foundation

## Food offerings



Beyond food safety and access to healthier food, we often get questions about our organic options, alternate protein offerings, antibiotic use and animal welfare.

- **Organic food:** In FY2020, we started to revamp produce areas to make organic food easier to find and to better highlight fresh produce prices to emphasize affordability.
- **Alternative protein:** Recognizing that some consumers seek plant-based alternatives to traditional animal protein products such as dairy and meat, we also offer a variety of alternative products. For example, we have a Plant-based section on Walmart.com for those customers looking for breakfast foods, snacks and other items.
- **Antibiotic use in farm animals:** As described in our Antibiotics in Farm Animals Position, we have asked suppliers to implement principles of judicious use, including using antibiotics only for medical purposes and not to promote growth.
- **Animal welfare:** Farm animals in our supply chain should be treated humanely throughout their lives and their welfare should be considered in selecting production systems, practices and technologies, including addressing housing systems such as gestation crates. We expect that our suppliers will not tolerate animal abuse, and we support the globally recognized "Five Freedoms" of animal welfare.





also fund programs to teach children and families how to make healthier choices and build people's confidence in selecting, preparing and serving healthy meals. Since FY2015, nutrition education programs funded by Walmart and the Walmart Foundation have reached 4 million people.

Walmart also helps customers identify nutritious food options with the Great for You icon, which is now carried by more than 8% of qualifying items, including fresh produce and the Great Value and Marketside private brands. The icon identifies products that meet nutritional criteria informed by the latest guidance from the 2015-2020 Dietary Guidelines for Americans, the U.S. Food and Drug Administration, the U.S. Department of Agriculture and the Institute of Medicine. We worked with private and public sector experts, as well as leading health organizations, to develop the initiative. For more information, please visit the [Great for You section](#) of our website.

## Product safety

We are committed to providing our customers and members with access to safe and affordable merchandise. We require our suppliers to comply with all applicable laws, regulations and company-specific requirements for all items offered for sale at Walmart.

These laws and regulations help us ensure that products we sell meet applicable design, manufacturing and safety standards to help reduce the risk of harm to customers. Our Product Safety Compliance team has implemented product-safety-related processes and procedures, which include:

- Monitoring laws, regulations and standards
- Creating and communicating product requirements
- Assessing supplier and product performance
- Product testing, verification and monitoring
- Managing incident reports, product removals and regulatory reporting

In 2019, the U.S. Product Safety Compliance team partnered with federal regulators to promote safety awareness in campaigns, including:

- The National Highway Traffic Safety Administration's "[Where's Baby?](#)" campaign to prevent hot car heatstroke deaths
- The Consumer Product Safety Commission's "Pool Safely" campaign to prevent child drownings

- The Consumer Product Safety Commission's "Portable Generator" campaign to prevent portable-generator-related carbon monoxide deaths

Our [U.S. Product Quality and Compliance Manual](#) contains full details on our product-safety-related processes and procedures. More information on how we manage product safety, including our [Global Product Safety Policy](#), can be found on our [Product Safety website](#).

## Sustainable chemistry

Our customers and members seek products that are safe, effective, affordable and sustainable.

Walmart's [Sustainable Chemistry Commitment](#) encourages suppliers to incorporate Sustainable Chemistry principles into the development of their products that we sell. We ask suppliers to accelerate product reformulation, certify products using credible accreditations such as the U.S. Environmental Protection Agency's Safer Choice program, and improve transparency into ingredients and formulations. We also disclose our progress to the [Chemical Footprint Project](#), which has recognized Walmart as a [CFP 2019 Disclosure Leader](#).

As part of our commitment, in 2017, we became the first U.S. retailer to announce a time-bound chemical reduction goal: by 2022, we aim to reduce our footprint<sup>32</sup> of "priority chemicals" in formulated consumables by 10% compared to our 2017 baseline of 215.9 million pounds.<sup>33</sup> Walmart references regulatory and authoritative lists to determine priority chemicals.<sup>34</sup> In 2018, there were 125,000 formulated consumable items in scope sold



by Walmart stores and Sam's Clubs in the U.S. in the following categories: personal care, beauty, baby, pet and household cleaning products.

To track and disclose progress toward our reduction goals, Walmart asks suppliers to share their formulations for each in-scope Universal Product Code (UPC) with [UL WERCSmart](#). In 2018, suppliers provided product formulations to UL WERCSmart for 85% of in-scope UPCs; 66% of total in-scope UPCs contained priority chemicals. UL WERCSmart aggregates the information and calculates Walmart's chemical footprint.

In 2018, based on supplier reports collected through UL WERCSmart, our priority chemical footprint (weight in lbs) increased by 1% over 2017,<sup>35</sup> while the weight of priority chemicals as a proportion of total product formulation weight declined by 5 basis points.

### Total weight of priority chemicals

Million lbs



### Priority chemical weight as a percent of total product formulation weight

Percent

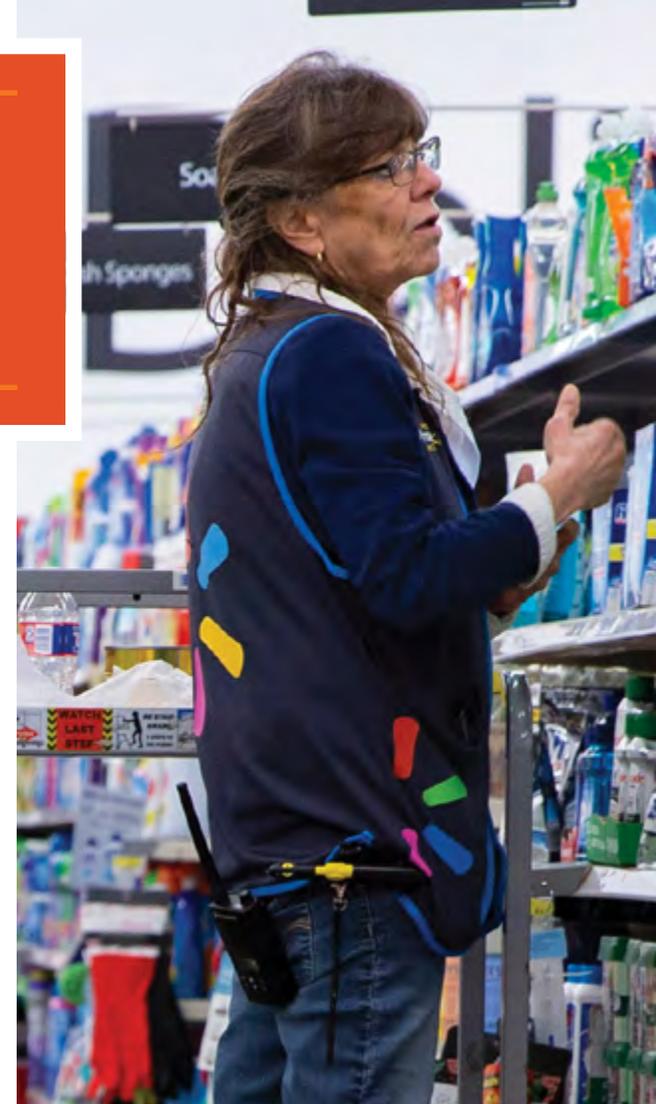


“  
Walmart has taken an important step to scale the positive impact of their Sustainable Chemistry Commitment by encouraging their top suppliers to join them in setting chemical reduction goals  
”

— Environmental Defense Fund

To accelerate progress toward our goal of 10% reduction in priority chemicals by 2022, we have been working with experts and our suppliers to share best practices and encourage innovation. Examples include:

- Collaborating with the Environmental Defense Fund to share information and best practices with our suppliers to help them develop their chemical footprint goals.
- Hosting a workshop in September 2019 for Walmart and Sam's Club national and private brand consumables suppliers in the U.S. Guest presenters shared examples of best practices, and suppliers were encouraged to set chemical footprint reduction goals and measure their progress against those goals. Presenters included the Environmental Defense Fund, the Chemical Footprint Project, the U.S. Environmental Protection Agency, certifying organizations such as Cradle to Cradle Certified and EWG Verified, and suppliers that have achieved preferred certifications for some of their products.



### A note about methodology

As the first U.S. retailer to announce a time-bound chemical reduction goal, we're continually learning and refining our process, assumptions and approach. Learn about our current methodology in the [Sustainable Chemistry Implementation Guide](#).



## Health & wellness

In the U.S., Walmart is committed to making health care more affordable and accessible for our associates, customers and members. According to a [CBS News poll](#), two-thirds of Americans are very concerned with keeping health care costs down

and report that affording basic medical care is a hardship. More than one-third say they have gone without medical treatment because of the costs. Our goal is to transform the cost and convenience of essential health care and improve the well-being of all communities.

In September 2019 and January 2020, we launched two [Walmart Health](#) centers in Georgia adjacent to our Supercenters to provide accessible, affordable and quality health care. The centers offer primary care, labs, x-ray, diagnostics, counseling, dental, optical and hearing services, and community health offerings – all in one facility. Partnering with quality providers to deliver these services, the state-of-the-art centers have transparent, affordable pricing for services, including annual checkups, lab tests and teeth cleaning, regardless of insurance status. Customers have responded enthusiastically, with some days having more than 100 patient visits.

In 2019, more than 101,000 patients visited our 19 [Walmart Care Clinics](#), which offer services such as lab tests, immunizations, and illness and injury care in Georgia, South Carolina and Texas.

In an effort to make health care more affordable for its members, Sam's Club launched a pilot in three U.S. states in 2019 called the [Sam's Club Care Accelerator Together with Humana](#). Leveraging relationships with 98point6, Humana and Quest Diagnostics, the Care Accelerator program offers members four health care bundles ranging in price from \$50 to \$240 per year.

Beyond our own care services, we enhanced the Health Care Begins Here program to help customers in the U.S. enroll in health insurance plans. The program provides health insurance education and enrollment services in stores, online and via call centers during annual enrollment periods for Medicare and Affordable Care Act plans.

For more information, including our Health and Wellness Policy, please visit our [Health and Wellness compliance website](#) and [Health and Wellness corporate website](#).

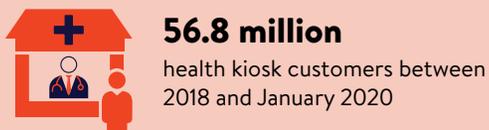
### Health & wellness business at Walmart and Sam's Club



#### We have introduced more than



#### which have been used by more than



#### Walmart employs



#### Walmart stores have provided approximately **1.5 million free health screenings**

during quarterly Wellness Days in 2019, which have helped customers discover underlying issues such as high blood pressure and diabetes that they can now manage



## Opioids

At Walmart, our mission is to help people “live better,” and this means helping to fight the opioid crisis facing our country. As part of our commitment, in early 2017, we established the [Walmart Opioid Stewardship Initiative](#) to identify concrete, high-impact actions to help fight the opioid epidemic in three core areas: stewardship, education and advocacy.

Walmart U.S. and Sam’s Club have adopted policies and practices to help safeguard our patients, such as a policy that restricts dispensing of an initial opioid prescription for an acute condition (one expected to heal fairly quickly) to seven days – informed by the Centers for Disease Control and Prevention’s guidelines – subject to certain limited exceptions. This limit helps reduce the number of pills dispensed, which can help reduce the likelihood that the patient will become dependent upon opioids and reduces the volume of opioids that could be diverted for inappropriate uses by someone other than the patient, while not preventing those who have chronic, long-term conditions, or are suffering from diseases such as cancer, from receiving the medications they need.

Walmart U.S. and Sam’s Club pharmacists participate in opioid-related training programs and use their knowledge to educate patients on the risks of opioid use and to dispense the overdose medication, Naloxone, upon request for patients who may be at risk for overdose where allowed by state law. Certain patients can be at risk of overdose even when using an opioid for a legitimate medical purpose. We also offer a free, at-home opioid disposal product to patients.



Walmart believes that youth education is an important part of the fight against prescription drug abuse. In 2018, Walmart joined the Prescription Drug Safety Network, powered by education technology company EVERFI, to bring a powerful prevention education tool to teens in high schools across Arkansas, Colorado, Texas, Indiana, Illinois, and beginning in 2019, Oklahoma. During the 2018-19 academic year, the EVERFI program sponsored by Walmart reached more than 300 schools and more than 25,000 students.

We also partnered with the Mark Wahlberg Foundation and the Drug Enforcement

Administration’s Community 360 Initiative to sponsor the Wahlberg Foundation’s National Youth Summits on opioid awareness. This program targets middle school students to raise awareness about the dangers of substance abuse and is reaching more than 20,000 students.

Walmart is committed to helping address opioid abuse and misuse in our communities. For more information on how Walmart is working to combat the opioid crisis, please see our [Opioid Stewardship website](#).





## Communities

Strengthening communities creates value for business and for society. When communities thrive, so do our stores.

For decades, local Walmart stores have provided customers with affordable products and services, associates with jobs and career paths, and state and local governments with millions of tax dollars. These benefits are complemented by our local engagement through associate volunteerism, local grant programs, community cohesion initiatives and disaster support.

### Local engagement

We empower our stores, clubs and distribution centers to give back in their local communities in a variety of ways. In FY2020, our stores, clubs and distribution centers in the U.S. provided more than \$65 million in local cash grants to organizations and programs that serve their communities.

Our associates are passionate about many causes, and for years we've supported them by donating to nonprofits in honor of their volunteer hours through Volunteerism Always Pays (VAP). In FY2020 in the U.S., more than 56,000 associates volunteered 630,000 hours, which generated more than \$5.9 million in Walmart donations.

For many communities, the space outside our stores is a place where people support causes like the Salvation Army Red Kettle campaign or local school booster clubs. A store manager's ability to provide a space to support local organizations and charities adds value to both the business and the community.

We also look for ways to modernize tools and resources that facilitate associate, store and community engagement. For example, last year we supported El Paso Giving Day and El Paso Giving Time to provide donations in honor of time and money contributed by that community.





## Community cohesion

Because Walmart has a home in thousands of places around the world, we've seen firsthand that a more diverse, inclusive community is a stronger, more resilient community. Communities work best when everyone can thrive and have a sense of belonging.

One of the main ways we help communities is through career opportunities. Walmart jobs have low barriers to entry, offer competitive wages and provide benefits, paths to advancement and on-the-job coaching, training and education. Read more in the [Retail opportunity](#) ✨ section of this report.

To foster a sense of belonging, Walmart and the Walmart Foundation work with organizations like

Welcoming America to engage local nonprofits, government and civic leaders to create and adopt welcoming practices in their communities. For example, in September 2019, a Welcoming America pilot funded by the Walmart Foundation and hosted by the YMCA and Idaho Office of Refugees brought people from all backgrounds together to participate in a family field day. More than 300 people spent the afternoon playing games, talking and eating together. Due to the success of the pilots, Welcoming America plans to continue to work with communities and help accelerate their work in creating places of inclusion and belonging.

## Serving in times of disaster & crisis

Through Walmart's Emergency Operations Center (EOC) and Walmart's planning and operational practices, we identify, assess, triage and respond to natural disasters, including public health issues, and security events that affect Walmart operations, associates and the communities we serve. The EOC operates 24 hours a day, seven days a week to identify emerging risks, help facilities and associates prepare for disasters, monitor the development of crises, and serve as a triage point for emergencies in our retail facilities, supply chain facilities and offices around the world.

The EOC activates cross-functional subject matter teams throughout our business to prepare for and respond to disasters quickly and effectively. The EOC core team includes experts in emergency management who regularly train associates across the enterprise. We use data and predictive analytics to identify and assess weather and environmental risks. This data aids

in disaster preparedness and helps maintain or quickly restore operations. In major disasters, we can deploy associates and an array of internal resources, including mobile generators, fuel resources and trucks that can help manage our corporate response to the crises on the ground.

Through the EOC's efforts to coordinate with local, state and federal governmental agencies, as well as nonprofits and volunteer organizations around the world, Walmart determines how we can help support local communities in the face of disaster.

In the summer of 2019, Walmart experienced two significant incidences of gun violence in our stores: one in a Walmart store in Southaven, Mississippi, where two associates lost their lives, and one in El Paso, Texas, where a gunman took the lives of 23 people. The shootings changed these communities and our company forever. The heinous acts set in motion several changes to Walmart's gun policy and gun and ammunition merchandise offerings. Please see the [Governance](#) ✨ section of this report for more on our response.

## Philanthropy: Disaster response

Since FY2017, Walmart and the Walmart Foundation gave more than \$58 million in cash and in-kind donations to support disaster preparedness and relief efforts.

Learn more about how Walmart gives back in communities around the world at [Walmart.org](https://Walmart.org).



# Governance

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# Board of Directors

Effective corporate governance is essential for long-term value creation. Our values of respect for the individual, service, excellence and integrity provide the foundation for our approach to governance.

Our Board of Directors (“Board”) has adopted a set of [Corporate Governance Guidelines](#), which serve as a flexible framework to assist the Board in the exercise of its responsibilities. These guidelines are reviewed at least annually and updated as appropriate in response to evolving best practices, regulatory requirements, feedback from our annual Board evaluations and recommendations made by our shareholders.

## Board demographics

The members of our Board bring a variety of backgrounds, qualifications, skills and experiences that contribute to a well-rounded Board that we believe is uniquely positioned to effectively guide our strategy and oversee our operations in a rapidly evolving retail industry.



# Board demographics

## Highly engaged Board

actively involved in Walmart's **strategic transformation**



**97% overall attendance** rate at Board and Board committee meetings

**5 Board**

meetings during FY2020

**24 Board committee**

**53 years**

median Director age

**6.6 years**

median Director tenure

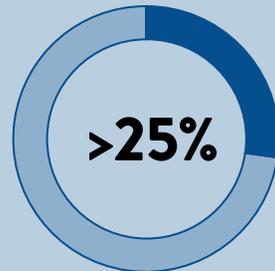
**12-year**

term limit for Independent Directors

**of Directors** were appointed in the last five years



**27%**  
female



# Board independence

**All members** of the Audit Committee, the Compensation and Management Development Committee, and the Nominating and Governance Committee **are independent**



**10 of 11**  
Directors are non-management



robust Lead Independent Director role



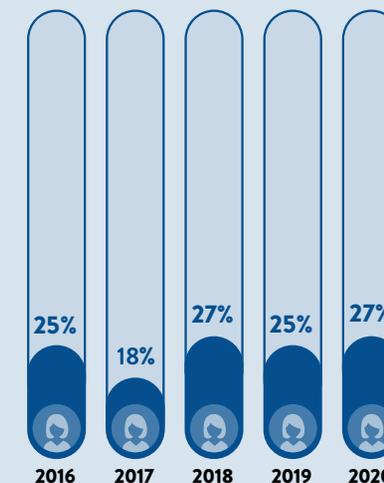
Diversity and inclusion are values embedded in our culture and fundamental to our business. We believe that a board comprised of directors with diverse backgrounds, experiences, perspectives and viewpoints improves the dialogue and decision-making in the boardroom and contributes to overall Board effectiveness. The Board is committed to diverse membership and assesses the effectiveness of its approach to Board diversity as part of the annual Board and Board committee evaluation process. As stated in our Corporate Governance Guidelines, it is the policy of the Board

to include and to instruct search firms to include women and minority candidates among the pool of potential director candidates to be considered by the Nominating and Governance Committee (NGC).

For more information on our Board and other corporate governance topics, please visit our [Corporate Governance website](#).

## Women on the Walmart Board\*

Percent of total



\*Directors are elected each June at the annual shareholders' meeting.

## Relevant skills & experience

Our Directors possess a balance of distinguished leadership, diverse perspectives, strategic skill sets and professional experience relevant to our business and strategic objectives, including:



Retail experience

4/11



Global or international business experience

11/11



Technology or eCommerce experience

5/11



Marketing or brand management experience

3/11



Senior leadership experience

10/11



Finance, accounting or financial reporting experience

5/11



Regulatory, legal or risk management experience

5/11



Board diversity: Gender or racial/ethnic diversity

4/11

For more information, please see the Board Skills Criteria and Qualifications section of our 2020 Annual Proxy Statement.



# Corporate governance

Our strong practices demonstrate our Board's commitment to effective governance. For more information, please see the Corporate Governance section of our 2020 Annual Proxy Statement.

## Board leadership & independence

The Board reviews its leadership structure annually and has designed it to promote robust oversight, independent viewpoints and the promotion of the overall effectiveness of the Board. Approximately 50% of our company's shares are held by members of the family of Sam Walton, our company's founder. Three generations of Walton family members have served on our Board, which demonstrates the Walton family's interest in and commitment to

### Corporate governance practices

#### Board independence

- Majority independent Board
- Lead Independent Director
- Governance committees are fully independent

#### Other Board and Board committee practices

- Separate Chair and CEO
- Risk oversight
- Oversight of political and social engagement
- Robust stock ownership guidelines
- No hedging and restrictions on pledge of Walmart stock
- No employment agreements with named executive officers described in our 2020 Annual Proxy Statement
- No change-in-control provisions
- Policy to include women and minorities among the pool of potential new Director candidates

#### Board performance

- Board oversight of company strategy
- Robust Board evaluations
- Extensive shareholder engagement
- Commitment to Board refreshment and succession planning
- Focus on management development and succession planning

#### Shareholder rights

- Market standard proxy access right
- Shareholder right to call special meetings
- No poison pill
- No supermajority voting requirements
- Annual election of all Directors
- Majority voting for Director elections



the long-term success of our company. Despite their substantial ownership in the company, the members of the Walton family traditionally have held only three seats on our Board. While the NYSE Listed Company Rules provide exemptions from independence requirements for controlled companies, Walmart has not relied on and has no plans to rely on any of those governance exemptions because we believe it is important to have a majority independent board.

In addition, we have:

- Separated the Chair and CEO roles since 1988
- Had a Lead Independent Director role since 2004

## Board committees

To enhance the effectiveness of the Board's risk oversight function and ensure appropriate focus on matters of strategic and governance importance, the Board regularly reviews its committee structure and committee responsibilities. Currently, the Board has six standing committees:

- Strategic Planning and Finance Committee
- Technology and eCommerce Committee
- Audit Committee
- Compensation and Management Development Committee
- Nominating and Governance Committee
- Executive Committee

## Key Board responsibilities

The Board has oversight responsibility for our company's business strategy and strategic planning. The Board's oversight and our management's execution of our business strategy are intended to help promote the creation of long-term stockholder and stakeholder value in a sustainable manner, with a focus on assessing potential opportunities and risks.

## Board's role in ESG-related issues

Management seeks to keep our Board updated on relevant ESG-related issues and initiatives. To that end, our Executive Vice President, Corporate Affairs and our Chief Sustainability Officer (CSO) provide regular reports to the NGC on our ESG initiatives. In addition, Board oversight of related topics includes:

- **Board oversight of culture and human capital management:** Our human capital management and talent development efforts go well beyond the senior management level. We believe that retail can be a powerful engine for economic mobility, and we are committed to a respectful, rewarding, diverse and inclusive work environment that allows our associates to develop the skills they need for success. The Board and the Compensation and Management Development Committee provide oversight and guidance on workforce development; compensation; benefits; recruiting and retention; and culture, diversity

and inclusion. We continue to invest in our associates' wages and training, and we recently enhanced our leave and paid-time-off benefits. We believe that these actions have resulted in a more engaged and effective workforce that is better equipped to serve our customers in today's rapidly changing retail environment.

- **Board oversight of legislative affairs and public policy engagement:** The NGC reviews and advises management regarding the company's legislative affairs and public policy engagement strategy.
- **Board oversight of charitable giving and sustainability:** The NGC reviews and advises management regarding the company's charitable giving strategy and other social, community and sustainability initiatives.

## Board's role in risk oversight

Walmart identifies, assesses and assigns responsibility for managing risks through its annual enterprise risk assessment process, other internal processes and internal control environment. The Board, Board committees and management coordinate risk oversight and management responsibilities in a manner that we believe serves the long-term interests of our company and our shareholders through established periodic reporting and open lines of communication.



## Board oversight

Has primary responsibility for overseeing risk management:

- Evaluates and approves strategic objectives and defines risk tolerance
- Delegates certain risk management oversight responsibilities to Board committees
- Receives regular reports from Board committee chairs and management regarding risk-related matters



### Technology and eCommerce Committee

Integration of information technology, eCommerce and innovation efforts with overall strategy

Emerging trends in technology and eCommerce



### Compensation and Management Development Committee

Senior executive compensation  
Senior executive development, succession planning and retention

Human capital management, including pay, benefits, diversity and inclusion, recruiting and retention, and culture



### Strategic Planning and Finance Committee

Financial status and financial matters, including capital expenditures, annual financial plans and dividend policies

Long-range strategic plans

Potential acquisitions and divestitures



### Nominating and Governance Committee

Corporate governance

Director succession planning

Environmental, social, community and charitable giving initiatives

Legislative affairs and public policy engagement strategy



### Audit Committee

Overall risk identification, monitoring and mitigation processes and policies

Financial statements, systems and reporting

Legal, ethics and compliance

Information systems, information security, data privacy and security, and cybersecurity

Related person transactions

Internal investigatory matters

## Management oversight

Management is responsible for the enterprise risk assessment process and the day-to-day management of risks. Management considers risks in categories that include, but are not limited to, the following:

- Strategic risk
- Reputational risk
- Financial risk
- Legal, regulatory and compliance risk
- Operational risk, including information systems, information security, data privacy and security, cybersecurity and supply chain

### Strategic and Operational Management Committees

### Legal, Regulatory and Compliance Risk Management Committees

### Financial Risk Management Committees

### Enterprise Risk Management

### Global Audit Services



## Executive compensation

Our executive compensation programs are intended to motivate and retain key executives, with the ultimate goal of generating strong operating results and creating alignment with our shareholders. We have developed our compensation programs to support our enterprise strategy and to align our leadership team with our culture, strategy and structure. Our compensation program is also designed to balance long-term performance with shorter-term performance, and to mitigate any risk that an executive officer would be incentivized to pursue good results with respect to a single performance measure, company segment or area of responsibility to the detriment of our company as a whole.

The Compensation and Management Development Committee regularly reviews our executive compensation program to ensure that compensation is closely tied to aspects of our company's performance that our executive officers can impact and that are likely to have an impact on shareholder value.

See the Executive Compensation section of our 2020 Annual Proxy Statement for more information.



### Global compensation framework

Our executive compensation program is built upon our global compensation framework:

- **Pay for performance** by tying a majority of executive compensation to pre-established, quantifiable performance goals
- Use performance metrics that are **understandable**, that are **tied to key retail performance indicators** and that our executives have the **ability to impact**
- Provide **competitive pay** to attract and retain highly qualified talent at all levels
- **Align management interests with the long-term interests of our shareholders** by providing long-term incentives in the form of equity, combined with robust stock ownership guidelines
- Establish performance goals that are **aligned with our strategic, financial and operating plans**
- Encourage **leadership accountability** by tying a higher percentage of compensation to performance at higher levels of seniority





## Management of ESG

Leadership of ESG issues starts with our CEO and cascades across our enterprise. Walmart business leaders shape and deliver ESG strategies relevant for their segments and functions; for example, the real estate team leads renewable energy initiatives.

Walmart's CSO helps define the ESG agenda and provides daily management and oversight of Walmart's publicly stated global ESG initiatives and goals. The CSO reports to our Executive Vice President, Corporate Affairs and provides updates to the Nominating and Governance Committee of the Walmart Board.

The CSO also chairs a cross-functional ESG Steering Committee, which is a management committee that meets at least biannually and is composed of leaders from various departments throughout the business, including the Office of the Corporate Secretary

and the Controller's Office. The ESG Steering Committee stays informed of relevant projects and efforts and works to ensure enterprise-wide alignment on ESG management strategies and priority business initiatives.

Additional management committees that support the ESG Steering Committee include:

- **ESG Working Group:** Managed by the Senior Director of ESG Trust and Transparency, the Working Group keeps the Steering Committee informed of stakeholder priorities as well as relevant ESG issues and management strategies.
- **ESG Disclosure Committee:** This Committee advises on processes and procedures for preparing and also reviews Walmart's ESG Reports and other public statements.

- **Human Rights Working Group:** This working group supports Walmart teams in continuously advancing respect for human rights across our business. The working group includes representatives from functions such as Ethics & Compliance; Global People; Labor Relations; Responsible Sourcing; Culture, Diversity & Inclusion; Global Responsibility; Government Affairs; Communications; and Legal.

Day to day, the ESG team, as part of the Global Responsibility team, helps our business identify which ESG issues are most relevant to Walmart. Team members serve as subject matter experts and advisors on critical topics, align the business on ESG issues, priorities and actions and engage stakeholders to identify best practices, mitigate risk and effect change.





## Ethics & compliance

Every Walmart associate is responsible for upholding our high ethical standards and complying with all relevant laws and regulations. Our culture of compliance is supported by thousands of associates in the Walmart Global Governance organization who are dedicated to:

- Cultivating a culture of integrity
- Establishing proper standards and controls
- Creating awareness of and advising on ethics and compliance issues
- Developing and implementing relevant and accessible training materials
- Continuous risk spotting and assessment, including through data analysis
- Conducting independent investigations into ethics and compliance violations

- Monitoring ethics and compliance issues and, where appropriate, reporting to regulatory authorities
- Remediating ethics and compliance gaps and violations

Our compliance expectations apply to all Walmart associates, suppliers and contractors and extend to the highest levels of the company. The Audit Committee of our Board of Directors has risk oversight responsibility for these matters.

Associates, suppliers, customers and community members are encouraged to raise issues, ask questions or report concerns. Walmart takes seriously the obligation to investigate and remediate these reports.

Read more in the [Stakeholder engagement](#)  section of this report or visit [Walmart's Global Ethics & Compliance website](#) and [WalmartEthics.com](#).

### Walmart's compliance program

The breadth of Walmart's compliance program reflects the diversity of our business. The program covers subject matter including:

1. Anti-corruption
2. Antitrust
3. Consumer protection
4. Environmental
5. Anti-money laundering and financial services
6. Food safety
7. Health and safety
8. Health and wellness
9. Labor and employment
10. Licenses and permits
11. Privacy
12. Product safety
13. Responsible sourcing
14. Trade



# Health & safety

Walmart is committed to complying with applicable health and safety laws, regulations and standards in the markets where we operate. We aim to protect the well-being of our customers, members and associates by providing safe facilities in which to shop and work. Our [Global Environmental, Health & Safety Policy](#) guides our action.

The Occupational Safety and Health Administration (OSHA) Incident Rate (IR) and Lost Time Case Rate (LTCR) are calculations that describe the frequency of incidents per 100 full-time employees per year. The IR is based on all injuries that resulted in medical treatment beyond first aid; the LTCR is a similar calculation, except that it only includes injuries that resulted in at least one lost workday. The much lower

LTCR compared to the IR indicates that the majority of recorded injuries were minor in nature.

For more information on workplace safety, please see our [Global Ethics & Compliance site](#).



**OSHA Recordable Incident Rate**



**Lost Time Case Rate**



■ Walmart U.S. ■ Sam's Club -- Industry average

\*Industry data have a one-year lag time and therefore do not appear in this chart.





# Walmart 沃尔玛

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Walmart’s training programs are designed to promote a culture of integrity, safety and quality in all that we do  
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## Training

Walmart’s training programs are designed to promote a culture of integrity, safety and quality in all that we do. Our associates receive training through mobile applications, virtual reality, computer-based learning and instructor-led training. Sessions are supplemented by ongoing communication campaigns to keep the concepts top-of-mind. Training is also provided for our suppliers through the Responsible Sourcing Academy. Below are training areas we are most often asked about by investors and stakeholders.

### Anti-corruption

Walmart prohibits bribery in any form, including through the business actions of our partners. Our global anti-corruption program drives the highest standards of integrity in our business and

in the global business marketplace. We train our associates to be able to recognize the various forms of bribery, to know and understand the proper procedures for handling government interactions and international donations, and to know whom to contact with questions or concerns. Associates who interact directly with foreign government officials on Walmart’s behalf are given in-depth, targeted training on our policy, their obligations under our anti-corruption programs and their duty to report suspected violations.

### Discrimination & harassment

Our policy strictly prohibits discrimination or harassment by or directed at associates, job

applicants, customers, members, suppliers or people working on Walmart’s behalf, and we believe our policies are broader than the minimum required by law. As part of the onboarding process, our associates participate in training modules about our [Statement of Ethics](#), which includes a discussion about our policies prohibiting discrimination and harassment. In addition, U.S. associates are required to take a refresher training module on a regular basis.

Our ongoing associate training, as well as our Global Statement of Ethics, includes a component about how to report concerns. If an associate experiences, observes, or otherwise becomes aware of any conduct that may violate our policies, the associate can report his or her concerns to any salaried member of management using our Open Door process. The associate may also report the issue





confidentially or anonymously to our Global Ethics Office via email, phone or web submission.

Additionally, a management associate's annual cash incentive payment may be reduced by up to 30% if they engage in behavior inconsistent with our discrimination and harassment policies.

Read more about our Inclusive Leadership Education program and expectations in the [Fostering inclusion](#) ✨ section of this report.

## Environmental compliance

Our team of environmental professionals develop and oversee programs to ensure compliance with air, water and waste laws and regulations that are relevant to our operations. We also train our associates how to implement those programs in their business areas, including but not limited to training on the appropriate management of waste and recycling.

## Ethics

Our training program is designed to manage compliance risks associated with 14 key areas relevant to ethics in the retail sector. Our risk-based training approach strives to make our customers' safety and quality expectations our highest priority. We train our associates to be able to recognize and speak up about sexual and other forms of harassment, discrimination, financial integrity, conflicts of interest and retaliation. Walmart associates receive ethics training during onboarding and regularly thereafter.

## Health & safety

Walmart aims to protect the well-being of our associates, customers and members by providing safe facilities in which to shop and work. Associates across the globe receive training on numerous health- and safety-related processes, including

hazardous communications, blood-borne pathogens, proper use of fire extinguishers, emergency action plans, active shooter response, equipment use and removal, and position-specific health and safety processes.

## Labor relations

It is important to us that our supervisors understand and comply with local laws and regulations. Training materials for supervisors in the U.S. include an explanation of the National Labor Relations Act (NLRA) and the protections it affords employees. Our materials also cover prohibited supervisor behavior with regard to associates' rights to form a union. Our materials also define NLRA-protected concerted associate behaviors that occur in the workplace and on social media.

## Responsible sourcing

Walmart's Responsible Sourcing Academy provides suppliers with access to training resources, best practice guidance and educational materials developed by Walmart and outside experts. The Academy covers topics such as forced labor, health and safety, and supply chain controls. Responsible Sourcing Academy supplier representatives have completed more than 6,500 training offerings, of which more than 40% are the Stronger Together and Tackling Forced Labor training modules.

## Workforce training

For information on workforce training, see the [Retail opportunity](#) ✨ section of this report.





## Disaster response & resiliency

Ensuring our company's resilience in the face of disaster and disruption is a priority for the company.

Walmart's Emergency Management Department has the primary responsibility to identify, assess and respond to events such as natural disasters, disease outbreaks and other crises. The Emergency Management core team helps to identify emerging risks, prepare facilities and associates for disasters, monitor the development of crises and serve as a triage point for emergencies in our retail facilities, supply chain facilities and offices around the world.

As needed, the team deploys cross-functional subject matter teams throughout our business to prepare for and respond to disasters quickly and effectively.

Walmart's Emergency Operations Center (EOC) operates 24 hours a day, seven days a week, and serves as a central command center for preparation and response activity.

Each business unit and corporate function has business continuity and crisis plans to guide

recovery in the event of an emergency. After each event, the Emergency Management team conducts after-action reviews to learn and adapt from each situation. Walmart also coordinates with governmental agencies, as well as nonprofits and volunteer organizations around the world, to support local communities in the face of disaster.

This past year we responded to several emergencies, including flooding in Oklahoma, a tornado in Missouri and the tragic shootings in El Paso, Texas and Southaven, Mississippi.



## Our response to the tragedies in El Paso & Southaven



In the weeks following the tragedies, we engaged with many associates and stakeholders to understand the important issues that arose from the horrific events in El Paso and Southaven, and we reflected on issues that were raised in the broader national discussion around gun violence. We listened to many people, both inside and outside our company, as we deliberated our next steps and the role Walmart can play in helping to make the country safer.

In September 2019, we announced some key changes:

- After selling through our current inventory commitments, we will discontinue sales of:
  - » Short-barrel rifle ammunition that, while commonly used in some hunting rifles, can also be used in large-capacity clips on military-style weapons, and
  - » Handgun ammunition.
- We will discontinue handgun sales in Alaska, marking our complete exit from handguns.
- We will respectfully request that customers no longer openly carry firearms into our stores or Sam's Clubs, even in states where open carry is permitted, unless they are authorized law enforcement officers. This is motivated by our desire to maintain a safe environment for our customers and associates.
- We will share information within the retail industry to promote best practices for safer gun sales transactions. For example, we are exploring ways to share the technical specifications and compliance controls for our proprietary firearms sales technology platform.

We also encouraged our nation's leaders to strengthen background checks and remove weapons from those who have been determined to pose an imminent danger. We believe the reauthorization of the Assault Weapons Ban should be debated to determine its effectiveness. We must also do more, as a country, to understand the root causes that lead to this type of violent behavior. Last September, our CEO sent letters to the White House and Congressional leadership calling for action on these common-sense measures.

These changes built upon earlier efforts to take common-sense steps that allow us to serve customers while creating a safer environment, including:

- We stopped selling handguns in every state (except for Alaska) in the mid-1990s.
- We stopped selling military-style rifles such as the AR-15 in 2015.
- We raised the age limit to purchase a firearm or ammunition to 21 in 2018.
- Walmart only sells a firearm after receiving a "green light" on a background check, while federal law only requires the absence of a "red light" after three business days. We don't sell a firearm until we receive a "green light" regardless of the time period.
- We videotape the point of sale for firearms, only allow certain associates to sell firearms and secure firearms in a locking case with individual locks, among other measures.

Please see additional details in a [note](#) Doug McMillon, our CEO, sent to Walmart associates on September 3, 2019. Our updated Firearms and Ammunition guidelines can be found on our [Corporate Policies website](#).





# Corporate citizenship

## Policy & advocacy

Our guiding aim in public policy discussions is promoting the interests of our customers, the public and our business. Whether it is through direct engagement with policymakers, public advocacy, or national or global coalitions, we aspire to meaningfully contribute to effective policy regarding issues such as climate change, minimum wage, firearms, opioids and privacy.

## Climate change

We continue to support the goals of the Paris Agreement. We attended the Paris and Bonn United Nations Climate Change Conferences of the Parties, the Global Climate Action Summit and Climate Week events, advocating for business engagement in emissions reduction. We also joined the “We Are Still In” Coalition — sending a signal that we need international action on climate change at a pace to deal with the challenges posed. In the U.S., while states and cities have been at the forefront in passing aggressive climate reduction goals, we believe a federal standard would create

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We aspire to meaningfully contribute to effective policy regarding issues such as climate change, minimum wage, firearms, opioids and privacy  
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a level playing field, accelerate climate action and demonstrate leadership.

## Minimum wage in the U.S.

Walmart has set a minimum starting wage of \$11.00 per hour for our associates; our average hourly wage for full- and part-time associates at the end of FY2020 was more than \$14.00 per hour.<sup>26</sup> At our annual shareholders’ meeting in June 2019, our CEO called on the U.S. Congress to raise the federal minimum wage from \$7.25 per hour. Read more in the [Retail opportunity](#) ✨ section of this report.

## Tobacco products

Every single tobacco sale to a minor is one too many. We have taken additional steps to help prevent the sale of tobacco to anyone underage. As of July 2019, across our entire business, Walmart and Sam's Club raised the minimum age to purchase tobacco products to 21. In September 2019, we decided to exit the e-cigarette business and discontinue the sale of all items associated with the category, such as devices, pods and e-liquid refills, at all Walmart U.S. and Sam's Club U.S. locations.

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Last year, Business Roundtable's Statement on the Purpose of a Corporation was released, outlining a modern standard for corporate responsibility in which companies operate for the benefit of all stakeholders — customers, employees, suppliers, communities and shareholders  
”

## Firearms

In September 2019, we submitted a letter to the White House and Congressional leadership asking them to consider the reauthorization of the Assault Weapons Ban. We also encourage lawmakers to strengthen background checks for gun buyers and remove weapons from those who have been determined to pose a threat to themselves or others.

## Opioids

Walmart is committed to taking a leadership role in opioid stewardship and has developed a comprehensive opioid stewardship initiative with policies, programs and tools aimed at helping prevent opioid abuse and dependence. Walmart supports the development and implementation of a national prescription drug tracking database that would allow all 50 states to exchange information.

We support state and federal legislation to limit the duration of initial prescriptions for acute conditions to seven days, and we support requiring e-prescriptions for all controlled substances.

See our [Opioids Stewardship website](#) for more information.

## Business organizations

We are also active in coalitions such as Business Roundtable, Business for Nature, the Consumer Goods Forum (CGF), One Planet Business for Biodiversity and the World Business Council for Sustainable Development (WBCSD). These groups help us join our voice to that of other leading companies in support of policies that impact the retail sector and beyond.

- **Business Roundtable:** Business Roundtable promotes the U.S. economy and expanded opportunities for Americans through sound public policies. Last year, Business Roundtable's [Statement on the Purpose of a Corporation](#) was released, outlining a modern standard for corporate responsibility in which companies operate for the benefit of all stakeholders — customers, employees, suppliers, communities

and shareholders. The statement was signed by 181 CEOs, including Walmart CEO Doug McMillon, who now serves as the organization's Chair.

- **Business for Nature:** A global coalition bringing together influential organizations and forward-thinking businesses to address natural capital conservation through business.
- **Consumer Goods Forum (CGF):** Composed of more than 400 retailers and manufacturers, CGF addresses sustainability challenges, including forced labor, deforestation, health and wellness, food safety, food waste, plastic waste and data transparency.
- **World Business Council for Sustainable Development (WBCSD):** A global, CEO-led organization of more than 200 leading businesses working together to accelerate the transition to a sustainable world. Walmart is also a member of [One Planet Business for Biodiversity](#), an international business coalition hosted by WBCSD that seeks to protect and restore biodiversity through initiatives in regenerative agriculture and forest initiatives.

## Lobbying

Walmart's [Government Relations Policy](#) governs the company's interaction with elected officials and legislative and regulatory bodies at the federal, state and local level. Walmart employs federal and state registered lobbyists and registered lobbyist consultants, and Walmart engages in lobbying contacts as defined under the U.S. Lobbying Disclosure Act (LDA). For more

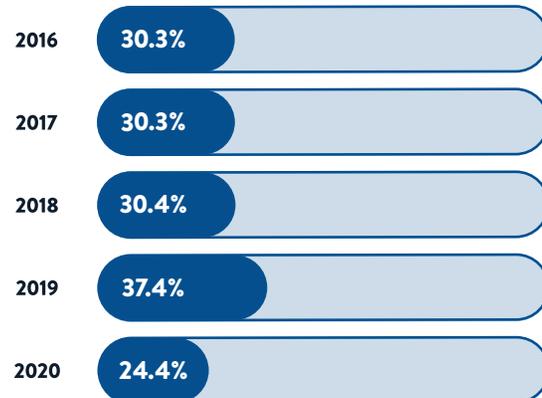


information as to our federal lobbying efforts, see the [Lobbying Disclosure Electronic Filing System at Senate.gov](#) (type “Walmart Inc. into both the “client” and “registrant” search boxes). State and federal lobbying information can be found at our [ESG Investors website](#).

## Taxes

The taxes we pay are an important part of our company’s societal impact. Over the last five years, Walmart has paid more than \$26 billion in corporate income-based taxes worldwide.

### Effective corporate tax rate over 5 years



## Cybersecurity & data privacy

Walmart’s goal is simple: To be the most trusted retailer. As we introduce technology into the daily lives of our customers – online and in store – we are considering legal, ethical and societal values in order to get it right. We plan to build on our existing relationship of trust and develop a holistic, people-led, data-enhanced relationship with our customers and associates. Our customers and their families trust that we will do the right thing with their data, and with the technology that touches their lives. As an example of how we build on the trust of our customers, Walmart does not sell or rent individually identifiable customer data to third parties. Our privacy policies govern the collection and use of customer data by Walmart U.S. and Sam’s Club, and describe the measures we take to protect information and how customers may initiate inquiries and raise concerns regarding the collection, sharing and use of their personal data.

Further, to protect our global enterprise, we developed a program based on the National Institute of Standards Framework for Improving Critical Infrastructure Cybersecurity. We have established

procedures for responding to data incidents around the globe, including when and how to engage with internal management, stakeholders and law enforcement.

Finally, Walmart is committed to working with policymakers to create public policy that will enhance consumer privacy, whether we meet those customers in the physical world, in the digital world or, as is increasingly the case, both. We strongly support bipartisan efforts as we work toward a national privacy law that protects the rights of all consumers in the U.S. These laws should have a goal of preempting a patchwork of state laws, which are inconsistent and insufficient to protect individual privacy.

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## Stakeholder engagement

As a retailer, our company's performance depends on direct and frequent engagement with our customers, associates and community leaders, as well as the people who supply our products, hold our stock and evaluate our performance. Stakeholder perspectives and feedback help improve the relevance and effectiveness of the products and services we offer and the initiatives we support.

Below we have outlined some of the many steps we take to hear from our stakeholders. Walmart leaders, including representatives of the ESG Working Group, routinely review stakeholder feedback to understand opportunities for improvement and to prioritize issues for consideration by leadership. Coordinated by the ESG team, the working

group provides periodic updates to the ESG Steering Committee on recommended actions and next steps.

### Customers

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

- Focused research through surveys and in-person discussions
- Social media interaction through managed Facebook and Twitter pages

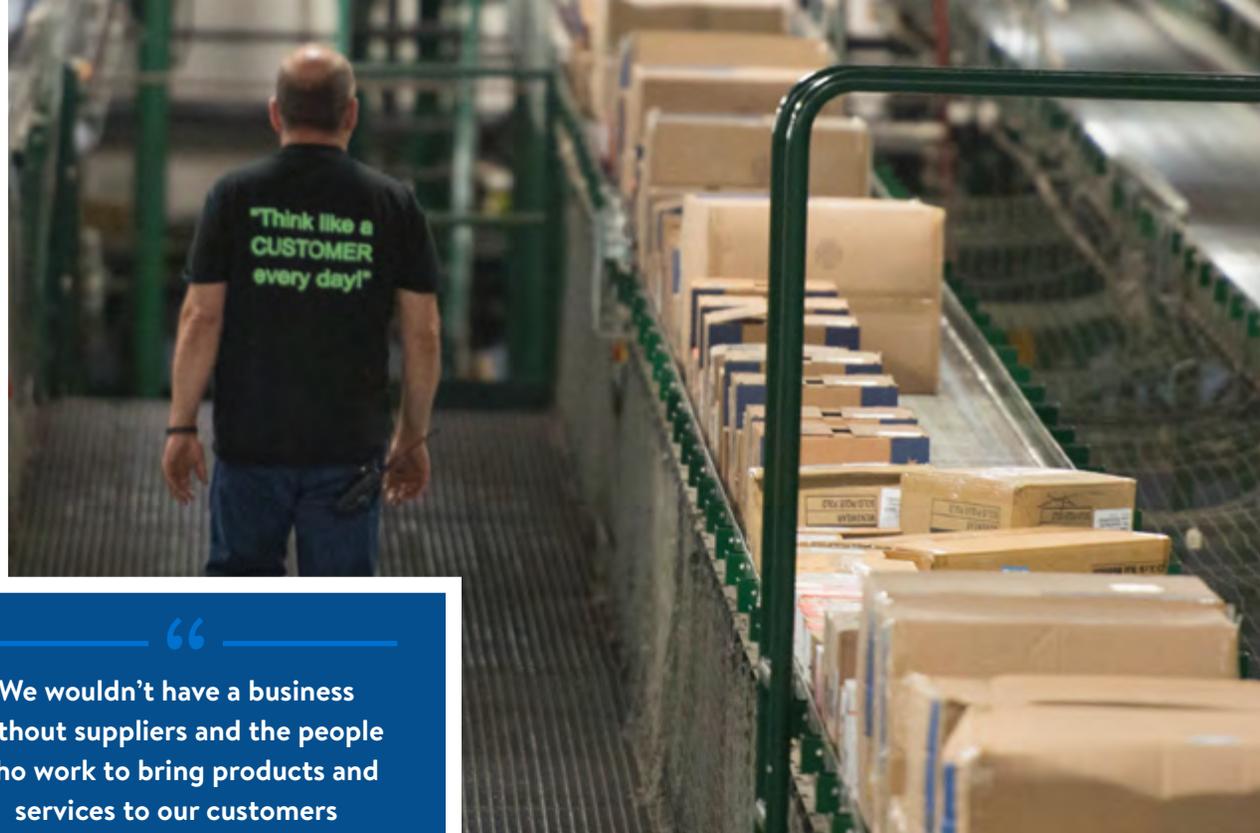
- In-person communication in our stores
- Outreach through email and phone, as well as communication through our customer call centers

Topics that we engage with customers on include product country of origin, the nutrition profile of foods, ingredients and responsible sourcing.

### Associates

Our associates are the core of our business, and we engage with them in a variety of ways, including personal one-on-one interaction, team meetings, cascaded leadership communications, company

intranet and Facebook Workplace and other social media, as well as traditional digital communications such as email. We use the feedback we receive from our associates to improve our business and associate proposition – for example, recent changes to our parental leave policies in the U.S. were informed by this feedback. Transparency and communication are key to driving Walmart’s internal culture of trust, and we are committed to continual improvement in these efforts. For more on how we engage with our associates and integrate their feedback into the business, see the [Associate voice](#) ✨ section of this report.



## Suppliers & people who work in product supply chains

We wouldn’t have a business without suppliers and the people who work to bring products and services to our customers. We engage suppliers to share our standards and expectations; develop new products, packaging, services, and more effective and efficient business processes; receive their feedback and input on how we can better work with them and serve customers; and help them measure performance and improve capabilities, including the sustainability of supply chains. For example:

- Walmart’s Responsible Sourcing Academy houses information about our standards for worker safety in factories, training, best practices and educational materials developed by third parties and by Walmart.
- We provide additional outreach and support for minority- and women-owned businesses to increase the diversity of our supplier pipeline.

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services to our customers  
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We also hosted our sixth annual Open Call in June 2019, where hundreds of suppliers had an opportunity to secure a face-to-face pitch meeting with a Walmart buyer. Last year’s attendees could secure deals ranging from a handful of stores in local markets to supplying hundreds, even thousands, of stores, Sam’s Clubs and Walmart.com.

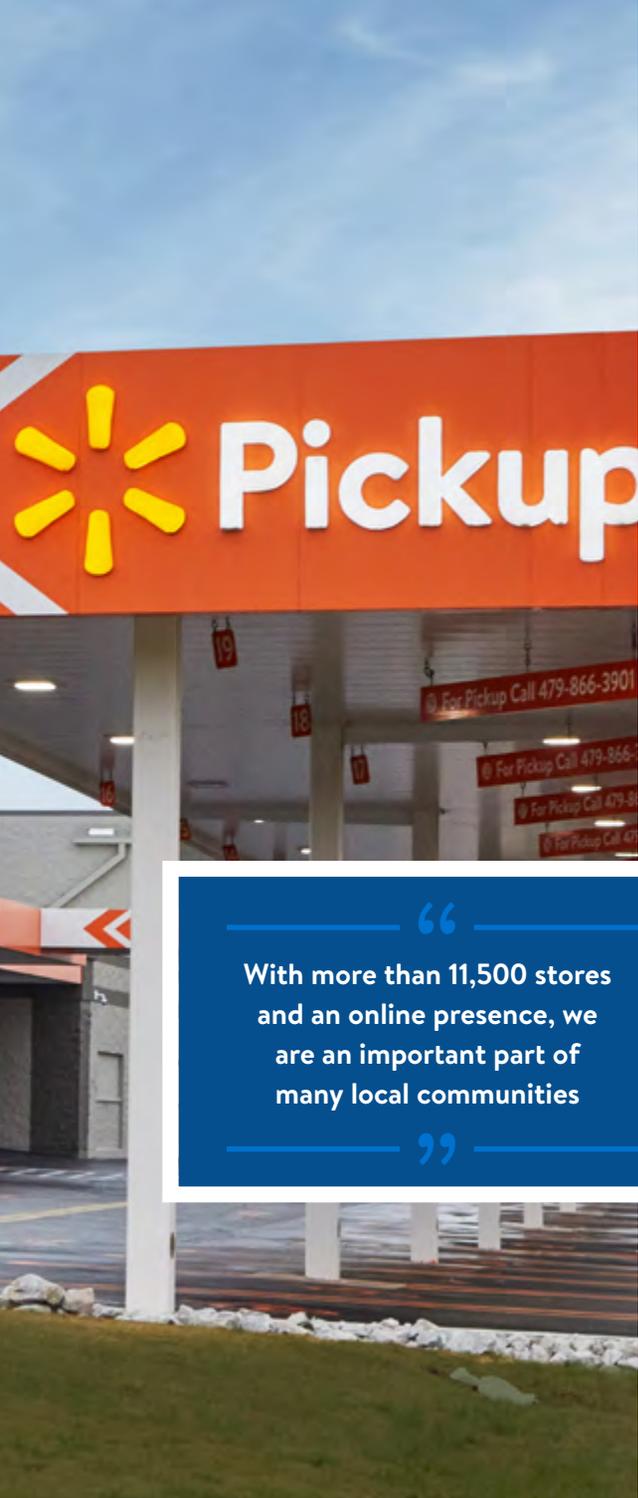
- At our biannual Sustainability Milestone events, we bring our suppliers and experts from nonprofits and academia together to discuss a topical ESG issue, providing a platform to problem solve and share best practices. In November 2019 at our Sustainable Packaging

Innovation Summit, we shared, among other things, a playbook for sustainable packaging. As part of these meetings, we often host in-depth conversations on shared ESG challenges.

- We host a variety of live and online events, communicate at trade events and keep in close communication with suppliers via timely updates.

For more information on how we interact with our suppliers, please see the [Product supply chains: Sustainability overview](#) ✨ and [Product supply chains: Social sustainability](#) ✨ sections of this report.





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With more than 11,500 stores and an online presence, we are an important part of many local communities  
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## Communities

At Walmart, we work hard to support the communities where we operate and where our associates and customers live. With more than 11,500 stores and an online presence, we are an important part of many local communities. See the [Communities](#) ✨ section of this report for more details.

## Shareholders

We engage with shareholders through:

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

As part of our regular shareholder engagement outreach, following our 2019 annual shareholders meeting, we invited shareholders representing approximately 570 million shares, including many of our largest investors, to participate in our outreach program. We ultimately engaged with shareholders representing approximately 525 million shares, or about 38% of our public float, to discuss strategy, compensation and ESG issues, among other topics. More information about our engagement with shareholders is in our 2020 Annual Proxy Statement.

## ESG analysts & benchmarking organizations

Our Senior Director of ESG Trust & Transparency regularly engages with ESG analysts and researchers through phone conversations, in-person meetings and written communication. These specialists offer diverse viewpoints and their perspectives inform our initiatives.

In these communications, we discuss Walmart’s strategy, governance practices, compliance programs and other ESG-related matters. We also systematically review and analyze annual information requests that we receive from organizations to understand which topics third parties prioritize and what types of information are most commonly requested. For guidance, we consider reporting frameworks such as the [Global Reporting Initiative](#) ✨, [Sustainability Accounting Standards Board](#) ✨, the [United Nations Sustainable Development Goals](#) ✨ and the [Task Force on Climate-related Financial Disclosures](#) ✨.

## NGOs, advisory councils & grantees

With an increasingly interconnected world, the scale of the environmental and social challenges facing our planet continues to grow. Many problems facing the world today, from deforestation to human trafficking, are beyond the scope of any single organization to resolve. Because we aim to create lasting impact and system-wide change, Walmart and the Walmart Foundation collaborate with leading third parties to help solve complex problems.





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 We aim to create lasting impact  
 and system-wide change  
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We have direct dialogue with many institutions — both our critics and our advocates — to understand critical ESG issues and the role Walmart can play to help address them. We have created and engaged with several advisory councils to offer critical input on Walmart’s business and ESG practices and initiatives. Working with third-party advisory councils enables us to benefit from an array of expertise and opinions and helps us shape our business initiatives.

## Governments

Walmart’s guiding principle for government engagement is to promote public policy that fulfills the interests of our customers, the public and our business. Sound public policy results from the intersection of those interests. Whether the issue at stake is taxation, trade, technology or the workforce, we advocate for the long-term interests of our associates, our customers, our business and

our communities. We are committed to providing substantive and technical input to legislative bodies and executive agencies across all issues where we have expertise. We make it a practice to do so in ways that build relationships and trust.

## Grievance mechanisms

As noted elsewhere in this report, and in addition to the proactive stakeholder engagement approaches outlined above, Walmart employs several grievance mechanisms to solicit, assess and address the concerns of associates, customers, workers in the supply chain, people in communities where we operate and other stakeholders. These include:

- **Global helpline:** Walmart provides global and local phone numbers that anyone can use to ask questions and report concerns related to Walmart’s business, 24 hours a day, seven days a week. The helpline is equipped to handle most local languages spoken in each of the retail markets where we operate.

- **Global email address:** This email address ([ethics@walmart.com](mailto:ethics@walmart.com)) is available for reporting concerns, asking questions, or simply seeking guidance for situations that may be unclear. All contacts are received by Walmart’s Global Ethics and Compliance team in Bentonville, Arkansas.
- **WalmartEthics.com:** This website is available in 13 languages and accessible globally. It provides a platform where stakeholders can ask questions, read our [Statement of Ethics](#), submit ethical concerns and follow up on previously reported concerns.

We triage inquiries and allegations received through these channels, routing them to the appropriate teams for further consideration or action. In some cases, we open a formal investigation, using internal investigators or a third party, depending on the nature of the allegation. We work to see that concerns are appropriately addressed in a timely manner. We also monitor the number and types of inquiries and allegations received through these and other channels. This information helps us to understand where we may need to strengthen policies or procedures.

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



## Stakeholders' ESG priorities

<b>Customers</b>	<ul style="list-style-type: none"> <li>• Everyday low price: affordable food and products</li> <li>• Associate training, wages and benefits</li> <li>• Healthy, environmentally friendly products</li> <li>• Store safety</li> </ul>	<ul style="list-style-type: none"> <li>• Local sourcing and responsible sourcing</li> <li>• Hunger, disaster relief and veterans</li> <li>• Corporate transparency</li> </ul>
<b>Associates</b>	<ul style="list-style-type: none"> <li>• Job stability and mobility, including wages, benefits, training and promotions</li> <li>• Inclusive workplace</li> <li>• Workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>• Local giving, hunger and disaster relief</li> </ul>
<b>Suppliers &amp; people who work in product supply chains</b>	<ul style="list-style-type: none"> <li>• Growing their business</li> <li>• Understanding Walmart's standards</li> <li>• Responsible sourcing</li> <li>• Emissions, deforestation, water and waste</li> </ul>	<ul style="list-style-type: none"> <li>• Packaging</li> <li>• Safe and healthy products</li> <li>• Supplier diversity</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Local economic impact: taxes, jobs, sourcing and affordable products</li> <li>• Support for community organizations</li> <li>• Disaster response and resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Food security</li> <li>• Emissions, waste and natural capital</li> </ul>
<b>Shareholders &amp; ESG research analysts</b>	<ul style="list-style-type: none"> <li>• Enterprise strategy and long-term stock performance</li> <li>• Climate and waste</li> <li>• Associate training and wages, responsible sourcing</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics, compliance and executive compensation</li> <li>• Regulatory and trade environment</li> </ul>
<b>NGOs, grantees &amp; advisory councils</b>	<ul style="list-style-type: none"> <li>• Issues vary by group</li> <li>• Associate opportunity</li> <li>• Inclusion</li> <li>• Emissions, waste and natural capital</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible sourcing</li> <li>• Disaster response and resilience</li> <li>• Hunger relief</li> <li>• Plastic waste</li> </ul>

*Frescura y calidad  
al precio que te conviene*



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# Environmental

## Climate change

Priorities (goals noted and italicized)	Metric	FY2020 results (unless otherwise noted)
<i>Goal: Achieve an 18% emissions reduction in Walmart's operations by 2025 (over 2015 baseline)</i>	Percent change in Scope 1 and 2 annual emissions	3.8% decrease <sup>12</sup> (CY2018 vs. CY2017)
	Percent change in Scope 1 and 2 annual emissions, compared with baseline	7.7% decrease <sup>6</sup> (CY2018 vs. CY2015)
	Percent change in carbon intensity, per revenue	7.1% decrease <sup>10, 11</sup> (CY2018 vs. CY2017)
<i>Goal: Power 50% of our operations with renewable sources of energy by 2025</i>	Estimated percentage of electricity needs supplied to Walmart by renewable sources	29% <sup>5</sup>
<i>Goal: Drive the production or procurement of 7 billion kilowatt hours (kWh) of renewable energy globally by Dec. 31, 2020 – an increase of more than 600% vs. our 2010 baseline</i>	Total renewable energy produced or procured by Walmart-driven projects	2.6 billion kWh
	New renewable generation capacity brought on by Walmart since 2008 (net new to the grid vs. purchases)	1.21 gigawatts
	Number of Walmart on-site and off-site renewable projects	>530 in operation or under development in 8 countries (cumulative)
<i>Goal: Double the number of on-site solar energy projects at our U.S. stores, Sam's Club locations and distribution centers by 2020, compared with our 2013 baseline of 240 installations</i>	Number of on-site solar installations	>380 representing 161.6 megawatts of solar capacity (cumulative) and 98 additional locations under contract to be completed by end of 2020
<i>Goal: By Dec. 31, 2020, reduce the total kWh-per-square-foot energy intensity required to power our buildings around the world by 20% versus our 2010 baseline</i>	Percent change in kWh-per-square-foot energy intensity	11% decrease <sup>36</sup> (between CY2010-CY2018)

Priorities <i>(goals noted and italicized)</i>	Metric	FY2020 results <i>(unless otherwise noted)</i>
<i>Goal: Reduce or avoid 1 billion metric tons (MT) of CO<sub>2</sub>e emissions from Scope 3 by 2030 (Project Gigaton™)</i>	Avoided emissions reported by suppliers	>230 million MT <sup>3</sup> (cumulative 2017-2019)
	Avoided emissions reported by suppliers	>136 million MT <sup>3</sup> (2019)
	Number of suppliers participating	>2,300 suppliers
	Number of suppliers reporting	>1,000 suppliers (2019)
<i>Goal: By 2030, work with suppliers to reduce or avoid greenhouse gas emissions in our China value chain by 50 million MT</i>	Avoided emissions reported by suppliers	>5 million MT (cumulative 2017-2019)
Electric vehicle (EV) charging stations	Number of EV charging stations available at Walmart stores and clubs across the U.S.	1,138 charging stations (288 retail locations in 37 states, as of 2019)

# Product supply chains: Sustainability

Priorities (goals noted and italicized)	Metric	FY2020 results (unless otherwise noted)
<b>THESIS (previously Sustainability Index)</b>	Percentage of U.S. volume covered by reports from suppliers participating in THESIS where available	61% <sup>37</sup>
<i>Goal: More sustainably source 20 key commodities by 2025</i>	Commodities	In progress
<b>Seafood</b> <i>Goal: By 2025, all Walmart U.S., Sam's Club, Asda, Walmart Canada, Walmart Mexico and Walmart Central America fresh and frozen, farmed and wild seafood suppliers will source from fisheries that are third-party certified as sustainable, actively working toward certification or engaged in Fishery Improvement Projects</i>	Percentage of sustainably sourced seafood, according to supplier reports	Nearly 100% Walmart U.S. and Sam's Club
	Wild-caught <ul style="list-style-type: none"> <li>• Marine Stewardship Council (MSC) or Global Sustainable Seafood Initiative (GSSI)</li> <li>• Fishery Improvement Project</li> </ul>	Wild-caught <ul style="list-style-type: none"> <li>• 74% MSC or GSSI certified</li> <li>• 24% publicly registered Fishery Improvement Project<sup>7</sup></li> </ul>
	Farmed <ul style="list-style-type: none"> <li>• Best Aquaculture Practices (BAP) or Aquaculture Stewardship Council (ASC)</li> </ul>	Farmed <ul style="list-style-type: none"> <li>• 99% Walmart U.S. &amp; Sam's Club farmed BAP or ASC</li> </ul>
<b>Row crops</b> Encourage suppliers to develop fertilizer optimization plans	Acres engaged in fertilizer optimization and soil health practice programs in 2019, as reported by suppliers	>6 million acres
	Number of suppliers participating	16 suppliers
<b>Animal welfare</b> Advancing humane treatment of farm animals in accordance with Five Freedoms of Animal Welfare	Percentage of shell eggs at Walmart U.S. and Sam's Club meeting United Egg Producers animal welfare requirements or equivalent	100%
	Percentage of cage-free shell eggs	<ul style="list-style-type: none"> <li>• 17% Walmart U.S.</li> <li>• 32% Sam's Club</li> </ul>
	Supplier implementation of video monitoring on sow farms for 100% of Walmart U.S. by end of 2018	100% – based on FY2019 supplier reports, fresh pork suppliers implemented video monitoring in a manner that was estimated to cover the volume supplied to Walmart U.S.

Priorities (goals noted and italicized)	Metric	FY2020 results (unless otherwise noted)
<b>Coffee</b> Source U.S. private brand coffee more sustainably by the end of 2020	Percentage of U.S. private brand coffee sales that were sourced certified sustainable (Rainforest Alliance, Fair Trade or UTZ), as reported by suppliers	<ul style="list-style-type: none"> <li>• 100% Walmart U.S.<sup>8</sup></li> <li>• 91% Sam's Club</li> </ul>
<b>Bananas &amp; pineapples</b> Source 100% of all Cavendish bananas and pineapples sold in Walmart U.S., Sam's Club and Asda from supplier farms that have received third-party certifications (e.g., Rainforest Alliance, Sustainably Grown and Fair Trade)	Percentage of bananas and pineapples sourced certified, based on supplier reports	<p>Bananas:</p> <ul style="list-style-type: none"> <li>• 92% Walmart U.S.</li> <li>• 96% Sam's Club</li> <li>• 100% Asda</li> </ul> <p>Pineapples:</p> <ul style="list-style-type: none"> <li>• 80% Walmart U.S.</li> <li>• 82% Sam's Club</li> <li>• 30% Asda</li> </ul>
<b>Apparel &amp; home textiles</b> <i>Goal: By 2022, Walmart U.S. stores will endeavor to source apparel and home textile products only from suppliers working with textile mills that use the Sustainable Apparel Coalition's Higg Index Facility Environmental Module (FEM) to measure and help improve environmental performance</i>	Percentage of product sales in apparel and soft home categories sourced from suppliers with at least one facility that has completed the Sustainable Apparel Coalition's Higg FEM assessment for Walmart U.S.	>65%
<b>Deforestation</b> <i>Goal: Walmart will source and use Roundtable on Sustainable Palm Oil (RSPO) or equivalent-certified palm oil (mass balance and segregated supply chain systems) and source pulp/paper products with zero net deforestation in 100% of Walmart private brand products by 2020</i>	<p>According to supplier reported data:</p> <ul style="list-style-type: none"> <li>• RSPO identity preserved</li> <li>• RSPO segregated or equivalent</li> <li>• RSPO mass balance</li> <li>• PalmTrace credits</li> </ul>	<ul style="list-style-type: none"> <li>• RSPO identity preserved: 5.5%</li> <li>• RSPO segregated or equivalent: 14.5%</li> <li>• RSPO mass balance: 65.6%</li> <li>• PalmTrace credits: 14.4%</li> </ul>
	Percentage private brand pulp and paper volume certified by the Forest Stewardship Council, Programme for the Endorsement of Forest Certification or Sustainable Forestry Initiative or using recycled content (based on supplier reports)	97%
<i>Goal: Conserve one acre of land for every acre developed by Walmart U.S. stores</i>	Total acres conserved by Acres for America since 2005	>1.4 million

# Waste

Priorities (goals noted and italicized)	Metric	FY2020 results (unless otherwise noted)
<b>Waste diversion</b>	Percentage of waste materials diverted from landfill and incineration globally	80% <sup>4</sup> (CY2019)
<i>Goal: Achieve zero waste<sup>14</sup> to landfill from our operations in the U.S., U.K., Japan, and Canada by 2025 in accordance with Zero Waste International Alliance guidelines</i>	Percentage of waste materials diverted from landfill and incineration per country:	(All figures in this column for this row are CY2019)
	U.S.	82% <sup>15</sup>
	Canada	88% <sup>15</sup>
	Japan	78% <sup>15</sup>
	U.K.	85% <sup>15</sup>
<b>Customer recycling</b>	Pounds collected through customer recycling programs at Walmart Argentina, Chile, Japan, Mexico and the U.K.	>26 million pounds (CY2019)
<b>Food donations</b>	Pounds of food donated globally	>680 million pounds (CY2019)
<b>Labeling</b>	Percentage of private brand suppliers using “Best If Used By” date label terminology in the U.S. unless a food safety or regulatory reason might prevent them from doing so	98% <sup>23</sup> (CY2019 survey data, as reported by suppliers)
<i>Goal: 100% of our Walmart U.S. food and consumable private brand primary packaging with the How2Recycle<sup>®</sup> label by 2022</i>	Estimated percentage based on supplier reports	<ul style="list-style-type: none"> <li>• 50%<sup>21</sup> Walmart U.S.</li> <li>• 38%<sup>21</sup> Sam’s Club</li> </ul>

Priorities (goals noted and italicized)	Metric	FY2020 results (unless otherwise noted)
<b>Packaging</b> <i>Goal: Achieve 100% recyclable, reusable or industrially compostable packaging in all Walmart private brand products by 2025</i>	Percentage of private brand suppliers using recyclable, reusable or industrially compostable packaging	~55% <sup>18</sup>
<i>Goal: 100% of U.S. general merchandise private brand primary plastic packaging is free of PVC by 2020</i>	Estimated percentage based on supplier reports	~97%
<i>Global Goal: 17% of private brand plastic packaging is made of post-consumer recycled content by 2025</i>	Estimated percentage based on supplier reports	9% <sup>19</sup>
<i>North America<sup>20</sup> Goal: 20% of private brand plastic packaging in North America is made of post-consumer recycled content by 2025</i>	Estimated percentage based on supplier reports	7% <sup>19</sup>
<i>Goal: Between 2016 and 2021, invest \$15 million to organizations that help reduce food waste and strengthen food banks in Canada</i>	Grant funding awarded to date	>\$18 million

# Social

## Retail opportunity

Priorities <i>(Goals noted and italicized)</i>	Metric	FY2020 results <i>(unless otherwise noted)</i>
<b>Walmart associates</b>	People employed, worldwide	>2.2 million
	People employed, U.S.	~1.5 million
<b>Compensation &amp; benefits (U.S.)</b>	Minimum starting hourly wage (federal minimum wage as of March 2019: \$7.25 per hour)	\$11.00 per hour (except where the minimum starting wage is above \$11.00)
	Average hourly wage	>\$14.00 per hour <sup>26</sup>
	Average hourly total compensation and benefits	>\$18.00 per hour <sup>27</sup>
	Bonuses paid to full-time and part-time hourly associates	~\$730 million <sup>24</sup>
	Paid time off (PTO) for hourly associates (full-time and part-time)	<p>Full-time hourly: Associates can earn up to 304 hours of PTO per year, depending on tenure. All unused PTO at the end of the year is either carried over or paid out to associates. In some locations, there are no limits to the amount of regular PTO or protected PTO that associates can earn.</p> <p>Part-time hourly: Associates can earn up to 144 hours PTO per year, depending on tenure. All unused PTO at the end of the year is either carried over or paid out to associates. In some locations, there are no limits to the amount of PTO that associates can earn.</p>
	Full-time hourly or salaried paid maternity leave (stackable with parental leave) <sup>29</sup>	10 weeks
	Full-time hourly or salaried paid parental leave after 12 months of service	6 weeks
	Health insurance for all full- and part-time associates who have worked an average of 30 hours per week over the past 12 months	Starting at \$29.00 per pay period

Priorities <i>(Goals noted and italicized)</i>	Metric	FY2020 results <i>(unless otherwise noted)</i>
<b>Additional benefits (U.S.)</b>	Store discount, full- and part-time Walmart U.S. associates, effective after 90 days of employment	~10% off regularly priced general merchandise, fresh fruits and vegetables
	401(k) average enrollment	>694,000
	401(k) cost	>\$1.1 billion
	Stock purchase	Walmart matches 15% of the first \$1,800 U.S. associates contribute to their stock purchase program, up to \$270 per plan year (age restrictions apply)
<b>Promotions (U.S.)</b>	U.S. associates promoted to jobs of greater responsibility and higher pay	>200,000 <sup>25</sup>
<b>Training (U.S.)</b> <i>Goal: By 2025, Walmart U.S. will put millions of associates through focused training programs to equip them with skills to improve career growth, from entry-level positions to jobs with more responsibility and higher pay</i>	U.S. associates (excluding Home Office) who completed Pathways program	>1.25 million (since 2016)
	Walmart U.S. store associate trainings, Walmart Academy	>1.8 million (since 2016)
	Walmart U.S. store associate trainings, Walmart Academy	>1.1 million
	Percentage of trainings that were delivered to women	59%
	Number of U.S. Walmart Academy training facilities	201
<b>Diversity &amp; inclusion</b> <sup>31</sup> <i>Commitment: Signatory to Catalyst CEO Champions for Change; CEO Action for Diversity &amp; Inclusion; Paradigm for Parity</i>	Percentage of U.S. associates who are women; people of color	55%; 45%
	Percentage of U.S. managers who are women; people of color	45%; 35%
	Percentage of U.S. hourly promotions who are women; people of color	58%; 44%
	Percentage of U.S. management promotions who are women; people of color	41%; 40%
	Percentage of U.S. officers who are women; people of color	31%; 24%
	Percentage of Walmart Board directors who are women	27%

<b>Priorities</b> <i>(Goals noted and italicized)</i>	<b>Metric</b>	<b>FY2020 results</b> <i>(unless otherwise noted)</i>
<i>Goal: \$100 million philanthropic commitment from the Walmart Foundation and Walmart to make it easier for frontline employees in retail and adjacent sectors to gain new skills and advance in their careers (launched 2015)</i>	Retail Opportunity grant funding awarded by Walmart and the Walmart Foundation (since 2015)	>\$130 million
<i>Goal: Double Walmart U.S. sales of locally grown produce between the end of FY2017 and the end of FY2026 (\$930 million baseline)</i>	Annual sales of local fresh produce in Walmart U.S. Supercenters and Neighborhood Markets	>\$1.1 billion

## Product supply chains: Social sustainability

Priorities <i>(Goals noted and italicized)</i>	Metric	FY2020 results <i>(unless otherwise noted)</i>
<b>Responsible Sourcing program</b>	Supplier disclosed facilities in “active” status	>26,000
	Walmart reviewed and assessed audits conducted by third-party audit programs	>14,500
	Audit assessment rating percentages	<ul style="list-style-type: none"> <li>• 24% received green</li> <li>• 65.3% received yellow</li> <li>• 10.3% received orange</li> <li>• 0.4% received red</li> </ul>
	Number of cases managed involving allegations of supply chain misconduct	>700
	Number of facilities remediated from orange to either yellow or green assessments	>400
	Number of suppliers Walmart stopped doing business with in response to serious violations of our standards (since 2012)	35
<i>Commitment: Walmart has committed to use our ability to bring together stakeholders, including industries, civil society, governments or international organizations to address the major potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025</i>	Retail supply chains in focus	<ul style="list-style-type: none"> <li>• Apparel in Bangladesh</li> <li>• Produce in the U.S. and Mexico</li> <li>• Shrimp in Thailand</li> <li>• Tuna in Thailand</li> <li>• Electronics sourced for the U.S. retail market</li> </ul>
<i>Goal: Between 2013 and 2023, purchase an incremental \$250 billion in products supporting American jobs</i>	Percentage to expected target	87%
	Amount sourced from diverse suppliers, goods and services, U.S.	>\$11.7 billion <sup>28</sup>

## Providing safer, healthier food & other products

Priorities (Goals noted and italicized)	Metric	FY2020 results (unless otherwise noted)
<i>Goal: By 2022, aim to reduce the footprint<sup>32</sup> of priority chemicals<sup>38</sup> in Walmart U.S. and Sam's Club assortments by 10%</i>	Percentage change compared to baseline, approximate consumable chemical footprint for stores and clubs <sup>35</sup>	1% increase
	Change in priority chemical weight as a percentage of total product formulation weight	5 bps reduction
<i>Goal: In 2016, Walmart and the Walmart Foundation committed to invest \$25 million in projects to advance food safety in China over five years</i>	Amount invested in projects to date	>\$22.5 million

## Communities

Priorities (Goals noted and italicized)	Metric	FY2020 results (unless otherwise noted)
<i>Goal: Offer a job at Walmart or Sam's Club locations to any eligible honorably discharged U.S. veteran who has been discharged since Memorial Day 2013. Commit to hire 250,000 veterans by 2023.</i>	Number of veterans hired	>250,000
	Number of veterans promoted	>42,000
<b>Local grants</b>	Local grants made by stores, clubs, other facilities in the U.S.	>\$65 million
<b>Associate giving</b>	U.S. associate hours volunteered	>630,000
	Amount donated to match volunteerism, U.S.	\$5.9 million
<b>Global giving</b>	Total cash and in-kind donations	>\$1.4 billion

# United Nations Sustainable Development Goals



Relevant SDG	Example Walmart contributions include	Location in ESG Report
<b>2 ZERO HUNGER</b> 	<b>Relieving hunger</b> , including efforts to improve food access and through food donations	Food waste in our value chain: <a href="#">Philanthropy: Avoiding food waste</a> <a href="#">Food access &amp; nutrition</a>
	<b>Encouraging healthier eating</b> through food labeling and nutrition education programs	<a href="#">Walmart sustainability strategies: Example actions</a> <a href="#">Food access &amp; nutrition</a>
	<b>Promoting sustainability</b> in food value chains and <b>improving market access for smallholders</b> in emerging markets	<a href="#">Food waste in our value chain</a> Inclusive sourcing: <a href="#">Market access for smallholders in emerging markets</a>
<b>5 GENDER EQUALITY</b> 	<b>Fostering inclusion, prohibiting discrimination</b> on the basis of sex and sexual orientation in our Statement of Ethics and <b>requiring fair processes for employment</b> in our Standards for Suppliers	Fostering inclusion: <a href="#">Our approach</a> <a href="#">Training</a>
	<b>Investing in efforts</b> to meaningfully advance gender equity in factories and farms	Addressing social issues in the supply chain: <a href="#">Gender equity</a>
	<b>Sourcing from women-owned businesses</b> and providing additional outreach and support for women-owned businesses	Addressing social issues in the supply chain: <a href="#">Gender equity</a>
<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	<b>Promoting sustainability in our operations</b> , including through a commitment to power 50% of our operations with renewable sources of energy by 2025 and drive the production or procurement of 7 billion kilowatt hours (kWh) of renewable energy globally by Dec. 31, 2020	Climate change mitigation: <a href="#">Sustainable operations</a> ESG data: <a href="#">Environmental goals</a>
	Facilitating avoided GHG emissions reductions in our supply chains, such as by <b>promoting the use of tools to help suppliers identify, prioritize and implement energy efficiency projects</b>	<a href="#">Project Gigaton</a>

Relevant SDG	Example Walmart contributions include	Location in ESG Report
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>Expanding access to jobs and providing ladders for advancement</b> , including through upskilling and education programs, and philanthropic investments in retail sector workforce development	Retail opportunity at Walmart: <a href="#">Mobility</a>
	<b>Supporting worker dignity and safety</b> in our operations and the supply chain and <b>collaborating to combat forced labor</b> in various sectors through our business and philanthropy	Addressing social issues in the supply chain: <a href="#">Forced labor &amp; Worker safety</a> <a href="#">Training</a>
	<b>Making investments in innovative technology</b> to improve productivity and job experiences	<a href="#">Retail opportunity at Walmart</a>
<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>Providing disaster relief</b> for natural and human-caused disasters	<a href="#">Disaster response &amp; resiliency</a>
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>Addressing food waste</b> by pursuing best practices in our operations, building capacity in the broader food recovery system, working with suppliers upstream and empowering consumers downstream	<a href="#">Food waste</a>
	<b>Enhancing the sustainability</b> of products and product supply chains	<a href="#">Product supply chains: Sustainability overview</a>
	<b>Promoting sustainable chemistry</b> , including in our supply chain	<a href="#">Sustainable chemistry</a>
	<b>Investing in sustainable package design and recycling</b> and encouraging suppliers to reduce unnecessary plastic packaging, increase packaging recyclability and increase recycled content, and to help us educate customers on reducing, reusing and recycling plastic	<a href="#">Plastic waste</a>
	<b>Providing funding</b> to support materials innovation, recycling collection and/or sortation infrastructure and consumer education	Plastic and other packaging waste in our supply chain: <a href="#">Philanthropy: Plastic waste</a>

Relevant SDG	Example Walmart contributions include	Location in ESG Report
<b>13</b> CLIMATE ACTION 	<b>Addressing climate change by setting a science-based target</b> to reduce greenhouse gases in alignment with the Paris Agreement	Climate change mitigation: <a href="#">Sustainable operations</a>
	<b>Accelerating sustainability efforts in our supply chain</b> , including by setting a target to avoid 1 gigaton of greenhouse gas emissions in our supply chain through Project Gigaton	<a href="#">Project Gigaton</a>
	<b>Engaging in advocacy and coalitions to promote environmental public policy</b> (e.g., We Are Still In, Renewable Energy Buyers Alliance, Paris and Bonn negotiations, Global Forest Watch Pro, Consumer Goods Forum)	Corporate citizenship: <a href="#">Policy &amp; advocacy</a>
<b>14</b> LIFE BELOW WATER 	<b>Sourcing seafood sustainably through our Seafood policy</b>	Natural capital: <a href="#">Certifications</a> <a href="#">Product supply chains: Sustainability overview</a>
	<b>Participating in the Seafood Task Force</b> to address illegal fishing in the Thai seafood supply chain	Addressing social issues in the supply chain: <a href="#">Forced labor</a>
<b>15</b> LIFE ON LAND 	<b>Reducing deforestation</b> , including due to palm and pulp and paper production, and <b>working with suppliers to join us through innovative sourcing strategies and the use of technology</b> to increase transparency and supply chain accountability	Natural capital: Ecosystem initiatives: <a href="#">Addressing deforestation</a> <a href="#">Product supply chains: Sustainability overview</a>
	<b>Supporting innovative approaches</b> to regenerative agriculture, sustainable fisheries, forest preservation and waste reduction	Natural capital: <a href="#">Ecosystem initiatives</a> <a href="#">Product supply chains: Sustainability overview</a>

# Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (“SASB”) is an independent, private sector standards-setting organization whose mission is to help businesses around the world identify, manage and report on the sustainability topics that SASB believes matter most to investors. As part of our commitment to trust and transparency, the table below represents some topics from those listed by SASB among various industries that we believe are relevant to our company and that are discussed in Walmart’s 2020 ESG Report (the “ESG Report”). In certain instances, and as noted below, a specific SASB topic may be discussed generally in our ESG Report but Walmart does not currently track or report progress on the corresponding SASB metrics. For quick reference, we have indicated below the location(s) in our ESG Report where these topics and metrics, if applicable, are discussed.

Industry	SASB Topic	Metric	SASB Code	WMT 2020 ESG Report Location	Variation between SASB and ESG Report	
<b>Consumer Goods</b>						
Multiline & Specialty Retailers & Distributors	Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	Climate change, pages 23-29 ESG data: Environmental goals, pages 108-109	Change in Scope 1 and 2 emissions, change in carbon intensity, percentage renewable, solar installations	
	Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	Retail opportunity, pages 53-64 ESG data: Social goals, pages 114-116	Average hourly wage, percentage above federal minimum wage	
	Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	Retail opportunity, pages 53-64	Percentage of women and POC by Walmart board, U.S. corporate officers, U.S. management, U.S. workforce, P&L responsibility	
	Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards		CG-MR-410a.1	Natural capital, pages 36-39 ESG data: Environmental goals, pages 110-111	Percentage certified, by commodity
		Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products		CG-MR-410a.2	Providing safer, healthier food & other products, pages 75-81 ESG data: Social goals, page 118	
		Discussion of strategies to reduce the environmental impact of packaging		CG-MR-410a.3	Waste, pages 30-35 ESG data: Environmental goals, pages 112-113	

Industry	SASB Topic	Metric	SASB Code	WMT 2020 ESG Report Location	Variation between SASB and ESG Report
E-Commerce	Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	CG-EC-330a.1	Retail opportunity, pages 53-64	Employee engagement is measured by agreement with the statement “I feel I am part of a team”
		(1) Voluntary and (2) involuntary turnover rate for all employees	CG-EC-330a.2	Retail opportunity, pages 53-64	Associate turnover is measured as percent reduction over five years
Apparel, Accessories & Footwear	Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	Providing safer, healthier food & other products, pages 75-81  ESG data: Social goals, page 118	
	Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	ESG data: Environmental goals, pages 110-111	Percentage of product sales sourced from supplier facilities that have completed Higg assessment
	Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	Product supply chains: Social sustainability, pages 65-74  ESG data: Social goals, page 117	Total third-party audit reports assessed
		Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	Human rights, pages 50-52  Product supply chains: Social sustainability, pages 65-74	
	Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	Product supply chains: Social sustainability, pages 65-74	
Household & Personal Products	Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	CG-HP-410a.1	Waste, pages 30-35  ESG data: Environmental goals, pages 112-113	Percentage post-consumer recycled content, percentage free of PVC, percentage carrying How2Recycle label
	Environmental & Social Impacts of Palm Oil Supply Chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	CG-HP-430a.1	Natural capital, pages 36-39  ESG data: Environmental goals, pages 110-111	

Industry	SASB Topic	Metric	SASB Code	WMT 2020 ESG Report Location	Variation between SASB and ESG Report
<b>Food and Beverage</b>					
Food Retailers & Distributors	Food Waste Management	Amount of food waste generated, percentage diverted from the waste stream	FB-FR-150a.1	Waste, pages 30-35 Environmental goals, pages 112-113	Pounds of food waste diverted
	Product Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	Providing safer, healthier food & other products, pages 75-81	
	Labor Practices	Percentage of active workforce covered under collective bargaining agreements	FB-FR-310a.2	Retail opportunity, pages 53-64	Percentage of international markets
	Management of Environmental & Social Impacts in the Supply Chain	Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates	FB-FR-430a.2	Environmental goals, pages 110-111  See also: Walmart's Animal Welfare on <a href="#">Corporate Policies and Guidelines</a>	Implementation of video monitoring on sow farms
		Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	Product supply chains: Sustainability overview, pages 40-47  Product supply chains: Social sustainability, pages 65-74  ESG data: Environmental goals, pages 110-111  See also: Walmart's Animal Welfare on <a href="#">Corporate Policies and Guidelines</a>	
	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	Waste, pages 30-35  ESG data: Environmental goals, pages 112-113		
Processed Foods	Food Safety	Percentage of Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-PF-250a.2	Providing safer, healthier food & other products, pages 75-81	Walmart stores and Sam's Clubs certified
	Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	Providing safer, healthier food & other products, pages 75-81	

Metrics identified by SASB do not necessarily have an equivalent under either U.S. generally accepted accounting principles (i.e., U.S. GAAP) or international financial reporting standards (i.e., IFRS). Therefore, the methodologies, estimates and assumptions and underlying source data used by one company may not be directly comparable with how another company measures and tracks the same SASB metric. For each metric referred to above, additional information about how Walmart measures and tracks such metrics can be found in the relevant section of our ESG Report. In some cases and as noted above, additional information about a particular topic was not included in our ESG Report but may be found on our corporate website. Not all information on our corporate website is incorporated by reference into our ESG Report.

# Global Reporting Initiative Content Index

Walmart referenced the Global Reporting Initiative (GRI) Standards in the development of its [2020 Environmental, Social & Governance Report](#) (“ESG Report”). This Content Index references the GRI Standards and provides specific information on how the Standards have been applied throughout the report. Page numbers refer to content in the ESG Report, unless otherwise noted. Materiality, as used in the context of the ESG Report and this GRI Content Index, is different than the definition used in the context of filings with the SEC. Read more in the “Note on Materiality” section of the 2020 ESG Report.

## GRI General Disclosures

Disclosure number	Disclosure title	FY2020 response
<b>Organizational profile</b>		
102-1	Name of the organization	Walmart Inc.
102-2	Activities, brands, products and services	2020 Form 10-K, pages 7-14 Walmart’s corporate purpose, pages 7-9
102-3	Location of the organization’s headquarters	Bentonville, Arkansas
102-4	Location of operations	2020 Form 10-K, pages 7-14, 24-26
102-5	Ownership and legal form	2020 Form 10-K, page 28
102-6	Markets served	2020 Form 10-K, pages 7-14, 24-27
102-7	Scale of the organization	Walmart’s corporate purpose, pages 7-9 Retail opportunity, pages 53-64 2020 Form 10-K, pages 24-26, 30-31
102-9	Supply chain	Product supply chains: Sustainability overview, pages 40-47 Product supply chains: Social sustainability, pages 65-74 2020 Form 10-K, page 12

Disclosure number	Disclosure title	FY2020 response
102-10	Significant changes to the organization and its supply chain	During FY2020, there have been no significant changes to the organization or our supply chain.
102-11	Precautionary Principle or approach	Walmart addresses the precautionary approach for products with the application of tools such as THESIS (formerly the Walmart Sustainability Index), a science-based, third-party tool developed by The Sustainability Consortium in collaboration with universities, NGOs and suppliers. THESIS includes data from suppliers on key environmental, social and other performance indicators at the category level. Additionally, we communicate our fundamental expectations to suppliers on social conditions, worker safety and integrity in the workplace through our Standards for Suppliers which apply to anyone that supplies products to Walmart for resale, as well as any agents they use. Among other topics, suppliers must agree to comply with the law, be transparent in their production for Walmart, not use involuntary or underage labor and provide a safe work environment.
102-12	External initiatives	Paris Climate Agreement, CDP, How2Recycle, Chemical Footprint Project, We Are Still In, Catalyst CEO Champions for Change, CEO Action for Diversity and Inclusion, Paradigm for Parity, GRI, United Nations Sustainable Development Goals.
102-13	Membership of associations	We work with industry groups in many countries in which we operate, including, but not limited to, the Business Roundtable, Consumer Goods Forum, Leadership Group for Responsible Recruitment, Seafood Task Force, Association of Professional Social Compliance Auditors, Renewable Energy Buyers Alliance, Billion Dollar Roundtable, and the Global Food Safety Initiative.
<b>Strategy</b>		
102-14	Statement from senior decision-maker	A message from our Chief Executive Officer, page 12
102-15	Key impacts, risks and opportunities	A message from our Chief Executive Officer, page 12 A message from our Chief Sustainability Officer, page 13 Defining our ESG priorities, goals & targets, pages 16-17 Challenges to achieving aspirational goals, commitments & targets, pages 18-20
<b>Ethics and integrity</b>		
102-16	Values, principles, standards and norms of behavior	Ethics & compliance, page 93 <a href="http://walmartethics.com">walmartethics.com</a> 2020 Annual Proxy Statement, page 2

Disclosure number	Disclosure title	FY2020 response
102-17	Mechanisms for advice and concerns about ethics	Stakeholder engagement, pages 102-106 <a href="http://walmartethics.com">walmartethics.com</a>
<b>Governance</b>		
102-18	Governance structure	Corporate governance, pages 88-90 2020 Annual Proxy Statement, pages 22-26
102-19	Delegating authority	Corporate governance, pages 88-90 2020 Annual Proxy Statement, page 29
102-20	Executive-level responsibility for economic, environmental and social topics	Corporate governance, pages 88-90 Management of ESG, page 92 <a href="#">Nominating and Governance Committee Charter</a>
102-21	Consulting stakeholders on economic, environmental and social topics	Corporate governance, pages 88-90 Stakeholder engagement, pages 102-106 2020 Annual Proxy Statement, pages 30-31
102-22	Composition of the highest governance body and its committees	2020 Annual Proxy Statement, pages 10-19 <a href="#">Corporate Governance website</a> Board of Directors, pages 85-87 Corporate governance, pages 88-90
102-23	Chair of the highest governance body	<a href="#">Corporate Governance website</a>
102-24	Nominating and selecting the highest governance body	2020 Annual Proxy Statement, page 12 <a href="#">Corporate Governance website</a>
102-25	Conflicts of interest	2020 Annual Proxy Statement, page 46

Disclosure number	Disclosure title	FY2020 response
102-26	Role of highest governance body in setting purpose, values and strategy	<a href="#">Corporate Governance website</a>
102-27	Collective knowledge of economic, environmental, and social topics	Corporate governance, pages 88-90 2020 Annual Proxy Statement, pages 13, 29 <a href="#">Corporate Governance website</a>
102-29	Identifying and managing economic, environmental and social impacts	Defining our ESG priorities, goals & targets, pages 16-17
102-30	Effectiveness of risk management processes	Corporate governance, pages 88-90 <a href="#">Nominating and Governance Committee Charter</a> 2020 Annual Proxy Statement, page 29
102-31	Review of economic, environmental and social topics	Corporate governance, pages 88-90 <a href="#">Nominating and Governance Committee Charter</a>
102-33	Communicating critical concerns to the highest governance body	Corporate governance, pages 88-90
102-35	Remuneration policies	2020 Annual Proxy Statement, pages 46-50
102-36	Process for determining remuneration	2020 Annual Proxy Statement, pages 46-50
102-37	Stakeholders' involvement in remuneration	2020 Annual Proxy Statement, page 50
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	Walmart's corporate purpose, pages 8-10 Corporate governance, pages 88-90 Stakeholder engagement, pages 102-106

Disclosure number	Disclosure title	FY2020 response
102-42	Identifying and selecting stakeholders	Corporate governance, pages 88-90 Stakeholder engagement, page 102-106
102-43	Approach to stakeholder engagement	Corporate governance, pages 88-90 Stakeholder engagement, pages 102-106
102-44	Key topics and concerns raised	Defining our ESG priorities, goals & targets, pages 16-17 Stakeholder engagement, pages 102-106
Reporting practice		
102-45	Entities included in the consolidated financial statements	2020 Form 10-K, pages 7-14
102-46	Defining report content and topic Boundaries	Defining our ESG priorities, goals & targets, pages 16-17
102-47	List of the material topics	Defining our ESG priorities, goals & targets, pages 16-17
102-48	Restatements of information	Endnotes, pages 138-140
102-49	Changes in reporting	About this report, pages 4-5
102-50	Reporting period	FY2020 (February 1, 2019 through January 31, 2020), unless otherwise noted.
102-51	Date of most recent report	June 2019
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	<a href="mailto:CASSR@wal-mart.com">CASSR@wal-mart.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This material references the latest GRI Standards and specifies which Standards have been applied through the Content Index.

Disclosure number	Disclosure title	FY2020 response
102-55	GRI content index	Our GRI Content Index is available at <a href="https://corporate.walmart.com/esgreport/esg-data#global-reporting-initiative-context-index">https://corporate.walmart.com/esgreport/esg-data#global-reporting-initiative-context-index</a>
102-56	External assurance	We did not seek, nor was there, external assurance from third parties with respect to most of the information in this report; exceptions are noted.

## Topic-specific Disclosures

Disclosure number	Disclosure title	Location
<b>GRI 201: Economic performance</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Climate change, pages 23-29 2020 Form 10-K, pages 30-44 <a href="#">CDP response</a>
103-2	The management approach and its components	Climate change, pages 23-29 <a href="#">CDP response</a>
103-3	Evaluation of the management approach	Climate change, pages 23-29 <a href="#">CDP response</a>
201-1 a i & b	Direct economic value generated and distributed	2020 Form 10-K, pages 7, 9, 29
201-2	Financial implications and other risks and opportunities due to climate change	Climate change, pages 23-29 <a href="#">CDP response</a>

Disclosure number	Disclosure title	Location
<b>GRI 202: Market presence</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Retail opportunity, pages 53-64
103-2	The management approach and its components	Retail opportunity, pages 53-64
103-3	Evaluation of the management approach	Retail opportunity, pages 53-64
<b>GRI 203: Indirect economic impacts</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Retail opportunity, pages 53-64 Communities, pages 82-83 <a href="http://walmart.org">walmart.org</a>
103-2	The management approach and its components	Retail opportunity, pages 53-64 Communities, pages 82-83 <a href="http://walmart.org">walmart.org</a>
103-3	Evaluation of the management approach	Retail opportunity, pages 53-64 Communities, pages 82-83
203-2 a	Significant indirect economic impacts	Retail opportunity, pages 53-64 Communities, pages 82-83 <a href="http://walmart.org">walmart.org</a>

Disclosure number	Disclosure title	Location
<b>GRI 204: Procurement practices</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Product supply chains: Social sustainability, pages 72-74
103-2	The management approach and its components	Product supply chains: Sustainability overview, pages 40-47 Product supply chains: Social sustainability, pages 72-74
103-3	Evaluation of the management approach	Product supply chains: Sustainability overview, pages 40-47 Product supply chains: Social sustainability, pages 72-74
204-1	Proportion of spending on local suppliers	Product supply chains: Social sustainability, page 74
<b>GRI 305: Emissions</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Climate change, pages 23-28 <a href="#">CDP response</a>
103-2	The management approach and its components	Climate change, pages 23-28 Product supply chains: Sustainability overview, pages 40-47 <a href="#">CDP response</a>
103-3	Evaluation of the management approach	Climate change, pages 23-28 Product supply chains: Sustainability overview, pages 40-47 <a href="#">CDP response</a>
305-1 a-c, d iii, e-g	Direct (Scope 1) GHG emissions	Climate change, page 25 <a href="#">CDP response</a>

Disclosure number	Disclosure title	Location
305-2 a, b, d iii, e-g	Indirect (Scope 2) GHG emissions	Climate change, page 25 <a href="#">CDP response</a>
305-3 a, d, f, g	Other indirect (Scope 3) GHG emissions	Climate change, pages 26-28 <a href="#">CDP response</a>
305-4 a-c	GHG emissions intensity	Climate change, page 25 <a href="#">CDP response</a>
305-5 a, c, d, e	Reduction of GHG emissions	Climate change, pages 25-28 Product supply chains: Sustainability overview, pages 40-47 <a href="#">CDP response</a>
<b>GRI 306: Waste</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Waste, pages 30-35
103-2	The management approach and its components	Waste, pages 30-35
103-3	Evaluation of the management approach	Waste, pages 30-35
<b>GRI 308: Supplier environmental assessment</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Product supply chains: Sustainability overview, pages 40-47 <a href="#">Sustainability Hub</a>
103-2	The management approach and its components	Product supply chains: Sustainability overview, pages 40-47 <a href="#">Sustainability Hub</a>

Disclosure number	Disclosure title	Location
103-3	Evaluation of the management approach	Product supply chains: Sustainability overview, pages 40-45 <a href="#">Sustainability Hub</a>
308-2 c	Negative environmental impacts in the supply chain and actions taken	Product supply chains: Sustainability overview, pages 40-47 <a href="#">Sustainability Hub</a>
<b>GRI 401: Employment</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Retail opportunity, pages 53-64
103-2	The management approach and its components	Retail opportunity, pages 53-64
103-3	Evaluation of the management approach	Retail opportunity, pages 53-64
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Retail opportunity, pages 55-60 2020 Form 10-K, page 12
<b>GRI 404: Training and education</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Retail opportunity, pages 53-60
103-2	The management approach and its components	Retail opportunity, pages 53-60
103-3	Evaluation of the management approach	Retail opportunity, pages 53-60
404-2 a	Programs for upgrading employee skills and transition assistance programs	Retail opportunity, pages 58-60

Disclosure number	Disclosure title	Location
<b>GRI 405: Diversity and equal opportunity</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Retail opportunity, pages 62-64 Board of Directors, pages 85-87
103-2	The management approach and its components	Retail opportunity, pages 62-64 Board of Directors, pages 85-87 2020 Annual Proxy Statement, page 29
103-3	Evaluation of the management approach	Retail opportunity, pages 62-64 Board of Directors, pages 85-87 2020 Annual Proxy Statement, page 11
405-1 a-b i & iii	Diversity of governance bodies and employees	Retail opportunity, pages 62-64 Board of Directors, pages 85-87 2020 Annual Proxy Statement, page 11
<b>GRI 409: Forced or compulsory labor</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Human rights, pages 50-52 Product supply chains: Social sustainability, pages 65-72 <a href="#">Standards for Suppliers</a> <a href="#">Human Rights Statement</a>
103-2	The management approach and its components	Human rights, pages 50-52 Product supply chains: Social sustainability, pages 65-72 <a href="#">Standards for Suppliers</a> <a href="#">Human Rights Statement</a>

Disclosure number	Disclosure title	Location
103-3	Evaluation of the management approach	Human rights, pages 50-52 Product supply chains: Social sustainability, pages 65-72 <a href="#">Standards for Suppliers</a> <a href="#">Human Rights Statement</a>
409-1 aii, b	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human rights, pages 50-52 Product supply chains: Social sustainability, pages 65-72
<b>GRI 414: Supplier social assessment</b>		
103-1	Explanation of the material topic and its boundary	Defining our ESG priorities, goals & targets, pages 16-17 Product supply chains: Social sustainability, pages 65-69 <a href="#">Standards for Suppliers</a>
103-2	The management approach and its components	Product supply chains: Social sustainability, pages 65-69 <a href="#">Standards for Suppliers</a>
103-3	Evaluation of the management approach	Product supply chains: Social sustainability, pages 65-69 <a href="#">Standards for Suppliers</a>
414-1	New suppliers screened using social criteria	Product supply chains: Social sustainability, pages 65-69
<b>GRI 417: Marketing and labeling</b>		
103-1	Explanation of the material topic and its boundary	Natural capital, pages 36-39 Providing safer, healthier food & other products, pages 75-81 <a href="#">Sustainability Hub</a> <a href="#">Ethics &amp; Compliance: Food Safety</a> <a href="#">Ethics &amp; Compliance: Product Safety</a> <a href="#">Global Product Safety &amp; Compliance Policy</a>

Disclosure number	Disclosure title	Location
103-2	The management approach and its components	<p>Providing safer, healthier food &amp; other products, pages 75-81</p> <p><a href="#">Sustainability Hub</a></p> <p><a href="#">Ethics &amp; Compliance: Food Safety</a></p> <p><a href="#">Ethics &amp; Compliance: Product Safety</a></p> <p><a href="#">Global Product Safety &amp; Compliance Policy</a></p>
103-3	Evaluation of the management approach	<p>Providing safer, healthier food &amp; other products, pages 75-81</p> <p><a href="#">Sustainability Hub</a></p> <p><a href="#">Ethics &amp; Compliance: Food Safety</a></p> <p><a href="#">Ethics &amp; Compliance: Product Safety</a></p> <p><a href="#">Global Product Safety &amp; Compliance Policy</a></p>
417-1 a	Requirements for product and service information and labeling	<p>Waste, pages 31-35</p> <p>Natural capital, pages 36-37</p> <p>Product supply chains: Sustainability overview, pages 40-47</p> <p>Providing safer, healthier food &amp; other products, pages 75-81</p> <p><a href="#">U.S. Product Quality and Compliance Manual</a></p> <p><a href="#">Global Product Safety &amp; Compliance Policy</a></p>

# Endnotes

- Adjusted diluted earnings per share attributable to Walmart (Adjusted EPS) is considered a non-GAAP financial measure under the Securities and Exchange Commission's rules because it excludes certain amounts not excluded in the diluted earnings per share attributable to Walmart calculated in accordance with GAAP (EPS), the most directly comparable financial measure calculated in accordance with GAAP. Management believes that Adjusted EPS is a meaningful measure to share with investors because it best allows comparison of the performance for the comparable period. In addition, Adjusted EPS affords investors a view of what management considers Walmart's core earnings performance and the ability to make a more informed assessment of such core earnings performance. The reconciliation between EPS and Adjusted EPS for both FY2020 and FY2019 can be found in our fourth quarter FY2020 press release available at [stock.walmart.com](https://stock.walmart.com).
- The "AA" credit rating is for our outstanding long-term debt as of January 31, 2020 assigned by Standard & Poor's and also Fitch Rating credit ratings agencies. Credit rating agencies review their ratings periodically and, therefore, the credit ratings assigned to us by each agency may be subject to revision at any time. Refer to our 2020 Annual Report available at [stock.walmart.com](https://stock.walmart.com) for credit ratings disclosed on long-term debt and commercial paper.
- Calculated in accordance with Walmart's [Project Gigaton Accounting Methodology](#), available on the [Walmart Sustainability Hub](#).
- Based on review of material handling and waste diversion processes in Argentina, Canada, Central America (includes the countries of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua), Chile, China, India, Japan, Mexico, South Africa, U.K. and U.S., as reported by waste vendors, food banks and stores. In cases where certified or otherwise documented weights were not available due to industry challenges, they have been estimated based on waste audits, historical data, extrapolation for similar facilities in size and scope, etc.
- This includes generation from more than 530 active or under development renewable and low-carbon projects across eight countries, 26 U.S. states and Puerto Rico. It considers the combined contribution of the renewable energy credits and power generated from on-site and off-site projects as well as renewable energy that we receive from utility-owned renewable generation feeding into the grids where our sites are located. At the time this report was prepared, 2018 was the most recent year for which we have third-party-verified energy consumption data. This was used in combination with the electricity procured from our renewable energy projects in 2019 and the most recent grid fuel mix information obtained from the International Energy Agency for the regions where we operate.
- On an adjusted basis, between 2015 baseline and 2018, Walmart reduced its absolute Scope 1 and 2 emissions by 7.7%, equivalent to 1.5 million metric tons of CO<sub>2</sub>e. Absolute emissions have been adjusted for most recent grid factors as of 2019 and the August 2018 divestiture of Walmart Brazil. Excluding the adjustment for the Walmart Brazil divestiture, we estimate the year-over-year reduction would be approximately 8.7% compared to 2015.
- Tracked on the FishChoice platform, [FisheryProgress.org](https://fisheryprogress.org).
- Data is as of September 2019.
- The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wildlife Fund (WWF), and is one of the We Mean Business Coalition commitments. The SBTi validated Walmart's greenhouse gas (GHG) emissions reduction target as science-based in November 2016, indicating that the target is in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared with pre-industrial temperatures.
- Annual Scopes 1 and 2 GHG emissions and Carbon Intensities correspond to the results we disclose in response to the annual CDP Climate Change questionnaire and can be downloaded from the CDP website. The methodology is in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, meaning we use the latest available emissions factors for energy grids at the time of annual reporting to CDP. As a result, emissions reported to CDP in any given year are subject to the grid factors available in the year of reporting. Lucideon CICS independently verified Walmart's reported Scope 1 and Scope 2 emissions, pursuant to ISO 14064-3 (the international standard for verification of GHG inventories). For more details, please refer to Walmart's Greenhouse Gas Inventory Methodology attached to our CDP disclosures.
- Carbon intensity (Scope 1 and 2 per revenue) calculation is based on emissions reported to CDP for calendar year (Jan 1-Dec 31) and normalized by total annual revenues as measured by Walmart's fiscal year (Feb 1-Jan 31). The intensities correspond with the Scope 1 and 2 emissions as reported in our annual CDP response and have not been adjusted for most recent grid factor updates.  
  
In August of 2018, Walmart divested its Walmart Brazil retail business. For the 2018/FY2019 calculation, we estimated emissions for Walmart Brazil operations (using 2017 data as a proxy) for the period between January 2018 and August 2018 as Walmart Brazil revenues for the same period are included in the FY2019 annual revenue number.
- On an adjusted basis, between 2017 and 2018, Walmart reduced its absolute Scope 1 and 2 emissions by 3.8%, equivalent to 0.72 million metric tons of CO<sub>2</sub>e. Absolute emissions have been adjusted for most recent grid factors as of 2019 and for the August 2018 divestiture of Walmart Brazil. Excluding the adjustment for the Walmart Brazil divestiture, we estimate the year-over-year reduction would be approximately 4.5%.

- 13 Each calculated in accordance with Walmart's [Project Gigaton Accounting Methodology](#), available on the [Walmart Sustainability Hub](#).
- 14 Meeting or exceeding Zero Waste International Alliance (ZWIA) business recognition program requirements, which include adoption of ZWIA definition of zero waste and achievement of 90% or more diversion of all discarded resources from landfills, incinerators and the environment. We measure reductions in food waste through use of the following: Measurement metric = total weight of non-diverted food in pounds (i.e., landfill and controlled combustion without energy recovery) / total weight of all food sold in pounds. Zero waste goal and reporting scope includes waste materials and products generated in Walmart's owned facilities and its operations (stores, clubs, warehouses, return centers, truck maintenance garages, etc.).
- 15 Based on review of material handling and waste diversion processes, as reported by waste vendors, food banks and stores.
- 16 The methodology for calculating recycled pounds of plastic film and rigid plastics globally has been refined; under the new methodology the CY2018 stats would have been: "more than 350 million pounds" compared to the previously reported in the 2019 ESG Report "more than 430 million pounds".
- 17 Walmart private brand suppliers representing 73% of Walmart global private brand sales reported packaging data. The calculation includes all private brand plastic packaging and single-use plastic and reusable bags globally. The estimation was calculated by extrapolating supplier-reported packaging data (weight in metric tons) in relation to supplier participation percentage of sales.
- 18 Walmart private brand suppliers representing 73% of Walmart global private brand sales reported packaging data. The calculation includes all private brand plastic packaging and single-use plastic and reusable bags globally.
- 19 Walmart private brand suppliers representing 73% of Walmart global private brand sales reported packaging data. The calculation includes all private brand plastic packaging and single-use plastic and reusable bags globally. Packaging materials classified as "plastics plus fiber" were included in the denominator of this calculation but not in the numerator.
- 20 For this goal, North America includes Canada, U.S. and Mexico.
- 21 Walmart private brand suppliers representing 72% of U.S. private brand sales reported packaging data. This percentage excludes the sales of private brand items that do not use primary packaging.
- 22 Walmart private brand suppliers representing 70% of Walmart U.S. general merchandise private brand sales reported packaging data.
- 23 Respondents of the survey represented 75% of private brand food sales.
- 24 In the 2019 ESG report, Walmart reported \$793 million bonuses were delivered to full- and part-time hourly associates in our Walmart U.S. stores in FY2019. In the 2020 ESG Report, we state approximately \$730 million in bonuses were delivered to full- and part-time hourly associates in our U.S. stores, clubs and supply chain in FY2020. When compared, the calculations for both years do not contain the same inclusions; therefore, if the FY2019 total reported the same inclusions as the FY2020 total, the amount would be \$994.24 million.
- 25 Data includes both hourly and management promotions and excludes Walmart Home Office promotions.
- 26 Average wage includes all full-time and part-time associates (excluding Home Office associates).
- In the 2019 ESG report, Walmart reported that the average wage of a full-time, hourly field associate in our Walmart U.S. stores as of March 2019 was \$14.26 per hour. In the 2020 ESG Report, we state our average hourly wage for full- and part-time associates at the end of FY2020 was more than \$14.00 per hour. When compared, the calculations for both years do not contain the same inclusions as the FY2020 number includes part-time, Fulfillment Centers and Distribution Centers associates and is as of the fiscal year-end. If the FY2019 wage rate had the same inclusions as FY2020 wage rate, the hourly wage rate would have been \$13.63.
- 27 In the 2019 ESG report, Walmart reported that the average total compensation and benefits for a full-time, hourly field associate in our Walmart U.S. stores was \$19.31 per hour, including wages, bonuses and benefits. In the 2020 ESG Report, we state our average hourly field compensation, including variable components such as quarterly bonuses, was more than \$18.00 per hour by FY2020 year-end. When compared, the calculations for both years do not contain the same inclusions as the FY2020 number includes part-time, Fulfillment Centers and Distribution Centers associates. If the FY2019 wage rate had the same inclusions as FY2020 wage rate, the hourly wage rate would have been \$17.84.
- Data is average total pay and benefits per hour for full- and part-time Walmart U.S., Sam's Club, distribution and fulfillment centers workers. Excludes Walmart Home Office associates.
- 28 A diverse supplier is defined as a U.S. privately held company that is recognized as 51% owned and operated by a woman, minority, veteran, disabled veteran, person with a disability or member of the lesbian, gay, bisexual or transgender (LGBT) community.
- 29 Salaried and truck driver associates: Eligible as of hire date. Full-time hourly associates: Eligible following 12 months of service. Part-time and temporary associates: Not eligible.

- 30 The national average health benefit premium employees pay per month according to the 2019 Kaiser Family Foundation Health Benefits Annual Survey is \$103/month. <http://files.kff.org/attachment/Report-Employer-Health-Benefits-Annual-Survey-2019>.
- 31 Diversity & inclusion numbers are calculated based upon total U.S. workforce, including associates in the U.S. regardless of whether assigned to a subsidiary that owns or operates an ecommerce business, platform and/or marketplace and rounded down to the nearest whole percentage.
- 32 Walmart measures its chemical footprint in terms of priority chemicals, or PCs. Walmart references regulatory and authoritative lists to determine priority chemicals. These lists can be found at <https://www.walmartsustainabilityhub.com/sustainable-chemistry/appendices>. Our footprint covers formulated consumables products sold in Walmart and Sam's Club U.S. stores.
- 33 Our baseline year chemical footprint combined for Walmart and Sam's Club U.S. stores was restated from 220.8 million pounds of priority chemicals (PC) weight to 215.9 million pounds of PC weight based on formulations that our suppliers inadvertently assigned to the wrong UPC registrations in UL's WERCSmart. We updated the baseline to report the correct progress on our reduction goal. Our baseline number is based upon 65% of UPC volume weight disclosed through WERCSmart. In any given year, an increase or decrease in UPC volume weight disclosures may impact reporting.
- 34 These can be found at <https://www.walmartsustainabilityhub.com/sustainable-chemistry/appendices>.
- 35 The calculations are based on Retail Link Data as of January 3, 2019 compared to WERCSmart data as of October 21, 2019. Going forward, Walmart and UL aim to improve the timing alignment between Retail Link and data collected through the WERCSmart system and share their collection dates. The percent of UPC volume weight disclosure in both the baseline year and year of measurement remained materially the same. Additional methodology information can be found in our [Sustainable Chemistry Implementation Guide](#).
- 36 This metric has been adjusted to account for the Walmart Brazil divestiture. In other words, Brazil's energy use and square footage was removed from the baseline 2010 and CY2018 totals. The adjusted baseline result is 11.25% vs. 2010. The unadjusted result (with Brazil still included in baseline) would be 10.6% reduction vs. 2010.
- 37 Coverage declined from 80% last year as we opened the survey up to a broader base of suppliers and transitioned to a supplier self-directed approach.
- 38 Walmart references regulatory and authoritative lists to determine priority chemicals. These can be found at <https://www.walmartsustainabilityhub.com/sustainable-chemistry/appendices>.