Walmart

Environmental, Social and Governance Summary Report

FY2022

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Introduction

About our reporting

Walmart has reported on a wide range of ESG issues since 2005. Our reporting is focused on our priority ESG issues—issues that we believe are the most relevant to our business and important to our stakeholders.

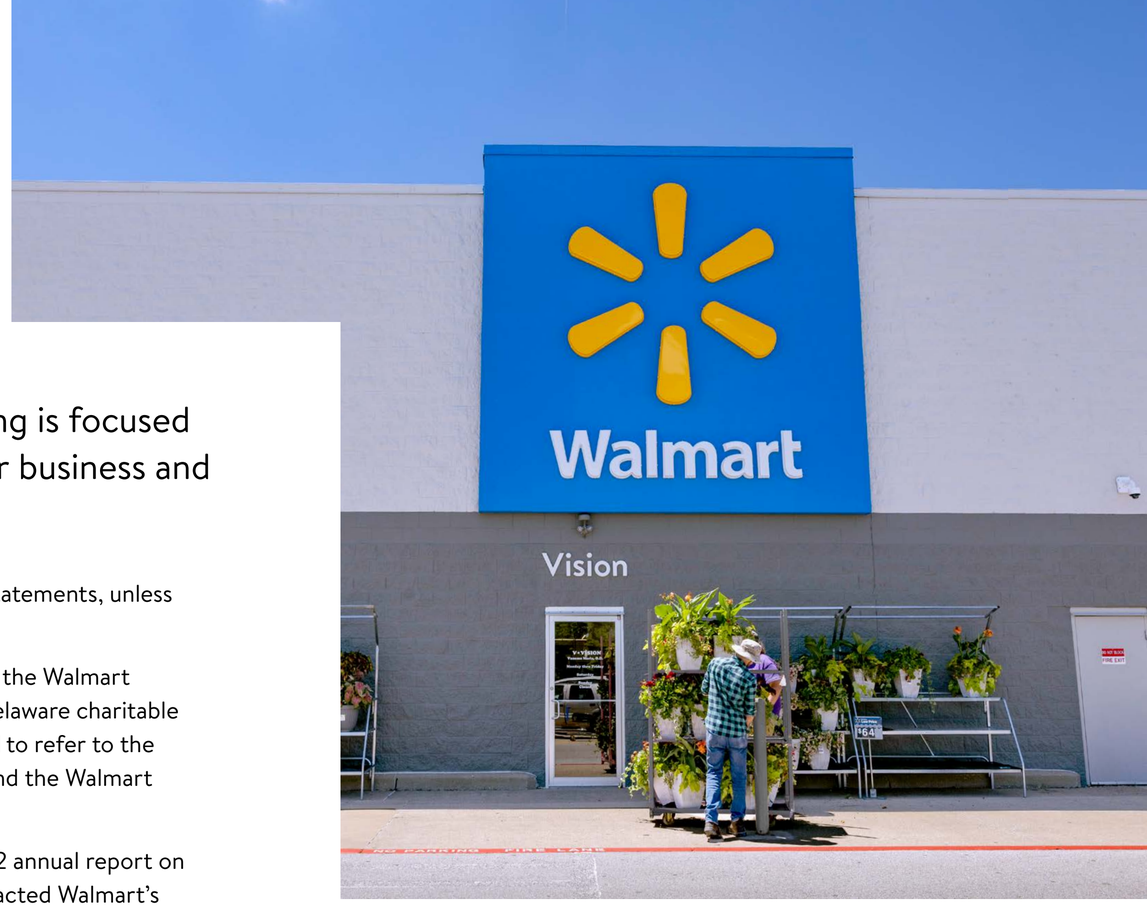
This Annual Summary provides an overview of our shared value approach to ESG, ESG priorities and key highlights. The Annual Summary covers our activities during the fiscal year ending January 31, 2022 (FY2022), except as otherwise noted. Calendar years (CY) are marked as such or written in a four-digit format. Beginning in 2021, our reporting has been centered around a series of ESG issue briefs covering each of Walmart's priority ESG issues in depth. Each of the 17 briefs covers our aspiration and strategy with respect to that issue, the relevance of the issue to business and society, our key goals and metrics and our progress to date. These briefs will be updated from time to time and may not align with fiscal year reporting periods. As we cover each issue in this summary, we will provide links to the relevant issue brief or briefs.

All references to "Walmart" in our ESG reporting are to Walmart Inc., a Delaware corporation and its consolidated subsidiaries that were subsidiaries during the reporting period, excluding all acquired eCommerce businesses, platforms and/or marketplaces, unless otherwise noted. Financial information referenced in our ESG reporting reflects the scope of the Walmart Inc. consolidated financial statements, unless otherwise noted.

This report also covers some activities of the Walmart Foundation, a separately incorporated Delaware charitable private foundation. "Walmart.org" is used to refer to the collective philanthropy of Walmart Inc. and the Walmart Foundation.

As discussed in Walmart's fiscal year 2022 annual report on Form 10-K, the COVID-19 pandemic impacted Walmart's business in many ways throughout FY2022, including through net-sales growth and strong comparable sales in a majority of our international markets, pandemic-related costs, changes in customer shopping patterns and employment trends. As the pandemic and related trends evolve in FY2023 and beyond, impacts on Walmart's business may also evolve.

We sought and received external assurance from a third party with respect to certain emissions information reported in this Annual Summary. We did not seek or receive external assurance from third parties with respect to other information, although in certain instances third parties assisted in the process of collecting, analyzing and calculating information presented in this Annual Summary.



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

FORWARD-LOOKING STATEMENTS

This Annual Summary 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); they also include the challenges, assumptions and dependencies identified in our ESG issue briefs.

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 our reporting are made as of the effective date identified on the issue brief, unless otherwise indicated and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Reporting resources

Click to find resources on our ESG website

ESG issue briefs | SASB | GRI | UNSDG | TCFD | CDP | ESG commitments and progress

Year at a glance FY2022

OPPORTUNITY

>$16.50
average hourly wage[1] in the U.S.

$35M

invested of the $100 million Walmart.org Center for Racial Equity commitment

>72K
associates enrolled in Live Better U since program launched in 2018

100%
100% of LBU students' college tuition and books paid for by Walmart as of August 2021

>$13.3B
in goods and services sourced from...

~2.6K
diverse suppliers for our U.S. businesses[8]

U.S. management[7] promotions went to

45% Women

40% People of color

SUSTAINABILITY

Committed to help protect, more sustainably manage, or restore, by 2030, at least

50M
acres of land and

1M
square miles of ocean

17.5%
reduction in scopes 1 and 2 emissions (2020 vs. 2015 baseline)[2,3]

Global private brand packaging estimated to be recyclable, reusable or industrially compostable[4,5,6]

>4.5K
of our suppliers engaged in Project Gigaton™ since 2017

>574M
metric tons of CO_2e reduced or avoided, cumulative since 2017[9]

Year at a glance FY2022

COMMUNITY

Providing access to affordable, quality food, other essential products and services to

~230M
customers per week in thousands of communities globally[10]

>$1.5B
in cash and in-kind donations globally provided by Walmart and the Walmart Foundation

>5.1K
COVID-19 vaccination sites supported across all U.S. Walmart and Sam's Club pharmacies

>$132M
in cash and in-kind donations, provided by Walmart, Sam's Club and the Walmart Foundation, since 2016 to support community preparedness and disaster relief

17%
reduction in priority chemical footprint (2020 vs. 2017 baseline), exceeding our 10% goal[12,13]

7B
pounds of food donated to Feeding America food banks since 2006[14]

>356K
hours volunteered for local causes by...

>18K
U.S. associates through the Volunteerism Always Pays program

ETHICS & INTEGRITY

>2M
associates trained in ethics

Provided anti-corruption training to
>77.4K
associates

Board of Directors[11]

27%
women

18%
racially/ ethnically diverse

Partnered with the Data & Trust Alliance
to adopt a toolkit for evaluating algorithmic bias in workforce decisions.

RECOGNITION

A-
CDP 2021 Climate Rating

No. 15
ranked in Fortune Change the World 2021 – 7th consecutive year on the list

100% score
2021 Disability Equality Index

No. 26
ranked in DiversityInc.'s 2022 Top Companies for Diversity

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

As the world continues to change, I'm often asked, "What is the role of business in society today?" Our founder, Sam Walton, gave us a timeless and meaningful purpose to save people money and help them **live a better life**. As we celebrate Walmart's 60th anniversary this year, that purpose still guides us as we work to create environmental, social and economic progress in ways that strengthen our business and benefit our stakeholders. We believe a business's long-term success will depend on its work to help create a strong, resilient society —for all.

In 2005, we committed to shifting our mindset and broadening our view to take a multi-stakeholder approach to our business. This means not only do we want to be the primary destination for our customers and return value to our shareholders, but we want to do it in a way that creates value for all stakeholders —including our associates, suppliers and other partners, communities and the planet. As we engage and serve our stakeholders, we grow and strengthen our business—and vice versa. If the past couple years have reinforced anything, it's the need for this kind of shared value approach.

At Walmart, this isn't something sprinkled throughout our business or added on as an afterthought—we strive to use this approach in all aspects of our business and help guide us. Throughout our journey, we have set goals, measured progress and reported on that progress. And we continually push ourselves, which is why we elevated our aspiration by making a commitment to become a regenerative company—one that puts people and nature at the center of our business practices. This commitment touches all parts of our business. It is anchored in our purpose—and we do that in a way that strives to create equitable opportunity for our associates and suppliers, enhance the sustainability of retail and product supply chains, help create more resilient communities and operate with the highest standards of ethics and integrity.

Having a healthy business for the long-term requires healthy relationships and a healthy planet. It also requires trust. It starts with us living our value of acting with integrity. We aim to do that throughout all our work.

There is a path of opportunity for everyone here. As I've visited stores, clubs and DCs over the past year, I've enjoyed talking with the many associates who are creating long, meaningful careers at Walmart. Last year, we promoted more than 135,000 associates to positions of greater responsibility and we continue to support and invest in them with job training, rising wages and by making it easier to gain a college degree or certificate by covering the costs of tuition and books through our Live Better U program. In the U.S., 40 percent of management promotions went to people of color and 45 percent to women. Creating opportunities for people is an important part of our work to become a regenerative company and we believe our success will depend on advancing prosperity and equity for all.

It is also at the heart of our work with communities. When disaster strikes, we are there with food, water and helping hands—but we are there every day strengthening communities. Last year, in the U.S. alone, our associates volunteered close to 1,000 hours a day to causes they care about and the company donated more than $1.5 billion in cash, food and other products globally. Our experience confirms for us that, when we understand what a community needs and partner with others, we can strengthen the environment to create more opportunities for the people who live there and end up with a stronger business.

Regeneration also means strengthening our planet. This spring, we hit a major milestone with Project Gigaton™: We are halfway toward our goal to reduce or avoid one billion metric tons of greenhouse gases from the global supply chain by 2030. Since 2017, our suppliers have reported a cumulative total of more than 574 million metric tons of emissions reduced or avoided. Additionally, we recently raised $2 billion through our first green bond and for the past four years we have received an A or A- score from CDP for our transparency on climate action.

After 60 years in business, we are reflecting on the moments of celebration, challenge and change throughout our history. These milestones have a way of making you think about the future. Though you'll see some of the progress we've made this past year in this report, we know there's more to be done. We will continue to look for ways to make a difference and remain eager to collaborate—we need more businesses and NGOs, as well as governments, to get involved and do more. This work requires collective action.

When our children and grandchildren look back at the work we're doing now, I hope it's clear we were part of the solution—working every day to make this world a better place. For as long as we're on this planet, Walmart will keep doing just that.

Doug

Doug McMillon
President and Chief Executive Officer
Walmart Inc.

A MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER

As we go to press, the world faces uncertainty: COVID-19 waves continue; inflation has kicked up while supply chains remain volatile; the effects of climate change have intensified; social divides seem to have widened.

Yet despite such challenges—or as much spurred on by them—we are more committed than ever to our efforts to become a regenerative company, one that puts humanity and nature at the center of our business practices. We believe that we maximize the value of our company for our customers and other stakeholders by tackling relevant, pressing societal issues through business.

In the pages of this year's FY2022 Summary and the accompanying ESG Issue Briefs, we share our aspirations, strategies, progress and challenges related to our priority environmental, social and governance issues. A few observations about our FY2022 disclosures:

"Who's #1? The customer, always." In a year where so many communities turned to Walmart for access to affordable food, consumables, COVID-19 vaccines and other everyday essentials, it became clearer than ever that delivering our customer proposition is itself a central ESG contribution.

Progress on rewiring systems for equity. Because advancing equity in society requires transformation of complex systems, our strategies in arenas such as economic mobility, racial equity and human rights in supply chains involve long-term, intensive collaboration with others on business and philanthropic initiatives extending beyond the four walls of our company. Substantial improvements in outcomes may be years in the making. Yet we are encouraged by emerging shifts in mindsets, practices, resource flows and policies within each of these arenas as well as progress within our own company.

Climate action: more than promises. In the lead up to COP26 in Glasgow, many companies set goals to help the world get to net-zero emissions. Walmart has been engaging in climate action since 2005 and enlisting suppliers to do the same since the launch of Project Gigaton™ in 2017. This year we reported that we continue to make progress toward our science-based targets for emissions reduction (for example, reporting a 17.5% reduction in FY2021 relative to our 2015 baseline for Scope 1 and 2 emissions) and we significantly expanded our efforts and disclosures related to our nature goals.

No simple solutions. When it comes to complex societal issues, stakeholders don't always agree on the way forward and there can be many obstacles to progress. Through our ESG reporting, we aim to provide insight into Walmart's theories of change, systemic challenges and the efforts of Walmart teams and our partners to overcome them.

Decision-useful reporting. Investors have asked businesses for more consistent and relevant ESG information. Nobody wants an avalanche of data or—at the opposite end of the spectrum—high-level headlines; they want concrete facts regarding policies, practices and results relevant to the creation of shared value. We aim to set the standard for decision-useful reporting. This year, we have responded to investor requests for expanded disclosure in specific arenas (for example, public policy engagement; approach to nature). We continue to aim for consistency and relevance through the structure of our ESG issue briefs and approach to metrics (e.g., clear definitions; sharing progress for the last three fiscal years).

A rose by any other name... Debates have intensified about terminology—ESG, stakeholder capitalism, inclusive capitalism, shared value, etc.—and whether all of this is just a passing fad. Our view is simple: a company's long-term success depends on its performance on the societal issues most relevant to its business and stakeholders. We can't have a strong business without a thriving planet and the trust and engagement of customers, associates, suppliers, investors, civic partners and communities. And the fundamentals of that are here to stay.

We remain optimistic. In Walmart communities around the world, our customers, associates, suppliers and civic partners help one another live better every day in a million ways, big and small. Thank you for your engagement to make us a better company.

Kathleen McLaughlin
EVP and Chief Sustainability Officer
Walmart Inc.

Our company

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 value for our stakeholders.

OUR VALUES

Acting with **integrity**

Serving the customer

Striving for **excellence**

Respecting the individual

HOW WALMART CREATES VALUE FOR STAKEHOLDERS

Customers: Convenient access to quality, affordable products and services

Associates: Purpose-driven work; opportunity for good jobs and upward mobility

Shareholders: Strong long-term returns through financial, environmental, social and governance (ESG) leadership

Suppliers: Access to customers and support for supplier development and growth

Business Partners: Access to and understanding of engaged customers for our sellers, advertisers and ecosystem partners

Communities: Resources to build stronger, more inclusive communities

Planet: Leadership on zero emissions, zero waste and our regenerative approach to nature

OUR BUSINESS IN FY2022

>$572 billion
in revenue

~2.3 million
associates

eCommerce
grew double-digits

>10,500
stores in two dozen countries

7.7%
U.S. comp sales growth including fuel

$15.9 billion
returns to shareholders

Transforming our business

Our flywheel for becoming an omni-channel, regenerative company

We are transforming our company to provide customers with a seamless omni-channel experience in stores and online—in a way that is regenerative. By regenerative, we mean fulfilling our customer mission in a way that creates value for people and planet: creating opportunity, enhancing sustainability of retail product supply chains, strengthening communities and upholding the highest standards of ethics and integrity. Transforming our business model toward an omni-channel, regenerative approach sets up a virtuous cycle that we call our "flywheel." Along with our assortment, price and experience, we want to make trust a competitive advantage.

EARN PRIMARY DESTINATION (FOOD, CONSUMABLES, GM)

- In store
- Pick-up
- Delivery
- Walmart+

Serve customers more broadly, deepen our relationship and sustain a healthy mix by expanding:

ECOMMERCE

- 1P eCommerce
- 3P marketplace

HEALTH & WELLNESS

- High quality
- Preventative
- Accessible
- Affordable

FINANCIAL SERVICES

- Trusted
- Digital
- Accessible
- Affordable

MONETIZE CAPABILITIES

- Marketplace
- Advertising
- Data
- Fulfillment
- Last mile

SUSTAINABLY LOWER COST

- Store productivity
- Supply chain design & automation
- Digital transformation
- Regenerative

REINVEST IN THE CUSTOMER VALUE PROPOSITION

- Assortment
- Price
- Experience
- Trust

Our approach to ESG

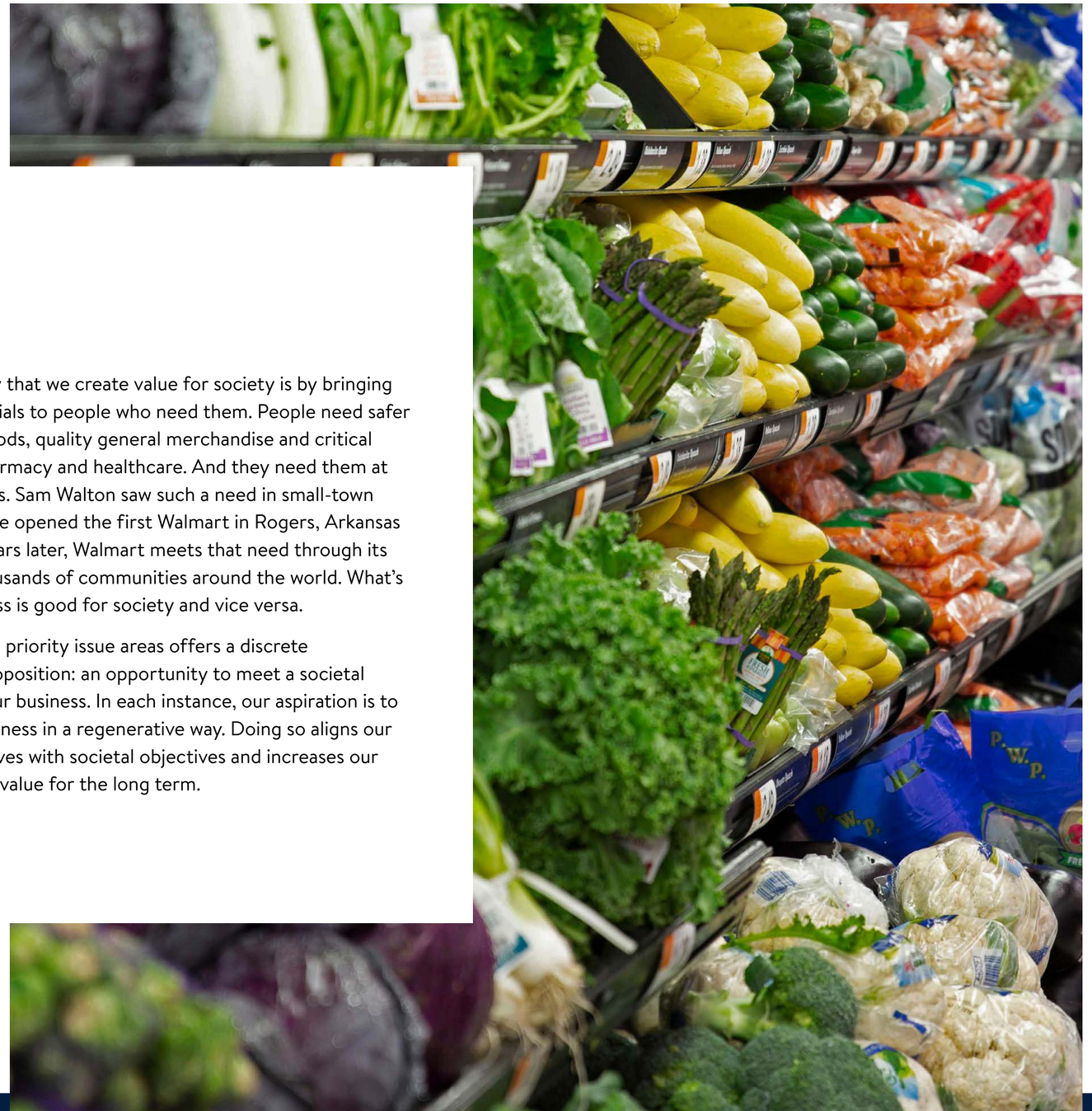
CREATING SHARED VALUE

Shared value—addressing societal issues in ways that create value for our business and stakeholders—lies at the heart of Walmart's enterprise strategy and our approach to ESG issues.

We believe we maximize long-term value for shareholders by serving our 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. Addressing such societal needs builds the value of our business by extending our license to operate, building customer and associate trust, creating new revenue streams, managing cost and risk, building capabilities for future advantage and strengthening the underlying systems we all rely on. In other words, business thrives by serving society: as business strengthens society, serving society strengthens business. We aspire to become a regenerative company—helping to renew people and the planet through our business.

The primary way that we create value for society is by bringing everyday essentials to people who need them. People need safer and healthier foods, quality general merchandise and critical services like pharmacy and healthcare. And they need them at affordable prices. Sam Walton saw such a need in small-town America when he opened the first Walmart in Rogers, Arkansas in 1962. Sixty years later, Walmart meets that need through its presence in thousands of communities around the world. What's good for business is good for society and vice versa.

Each of our ESG priority issue areas offers a discrete shared-value proposition: an opportunity to meet a societal need through our business. In each instance, our aspiration is to operate our business in a regenerative way. Doing so aligns our business objectives with societal objectives and increases our ability to create value for the long term.



OUR APPROACH TO PRIORITY ESG ISSUES

For each priority ESG issue, we develop an ESG impact thesis that articulates the relevance of the issue for society and Walmart's business, reflects an understanding of stakeholder expectations and defines our aspirations, goals and strategies. Through such disclosures, we aim to provide stakeholders with an understanding of Walmart's shared value approach and progress.

To create change we:

- **Lead through business** by embedding our ESG aspirations and initiatives into how we do business and work with teams across the company
- **Collaborate with suppliers**, NGOs, governments and others to transform systems at scale
- **Use our philanthropy** to extend the societal impact of business initiatives

Read more: **Our ESG priorities**

OUR ESG PRIORITIES

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

Based on our most recent ESG priority assessment conducted in spring 2021, we have organized our ESG priorities into four leadership themes: Opportunity, Sustainability, Community and Ethics & Integrity.

OPPORTUNITY

- Good jobs and advancement for associates
- Equity and inclusion at Walmart and beyond
- Growth for suppliers, sellers and local economies

SUSTAINABILITY

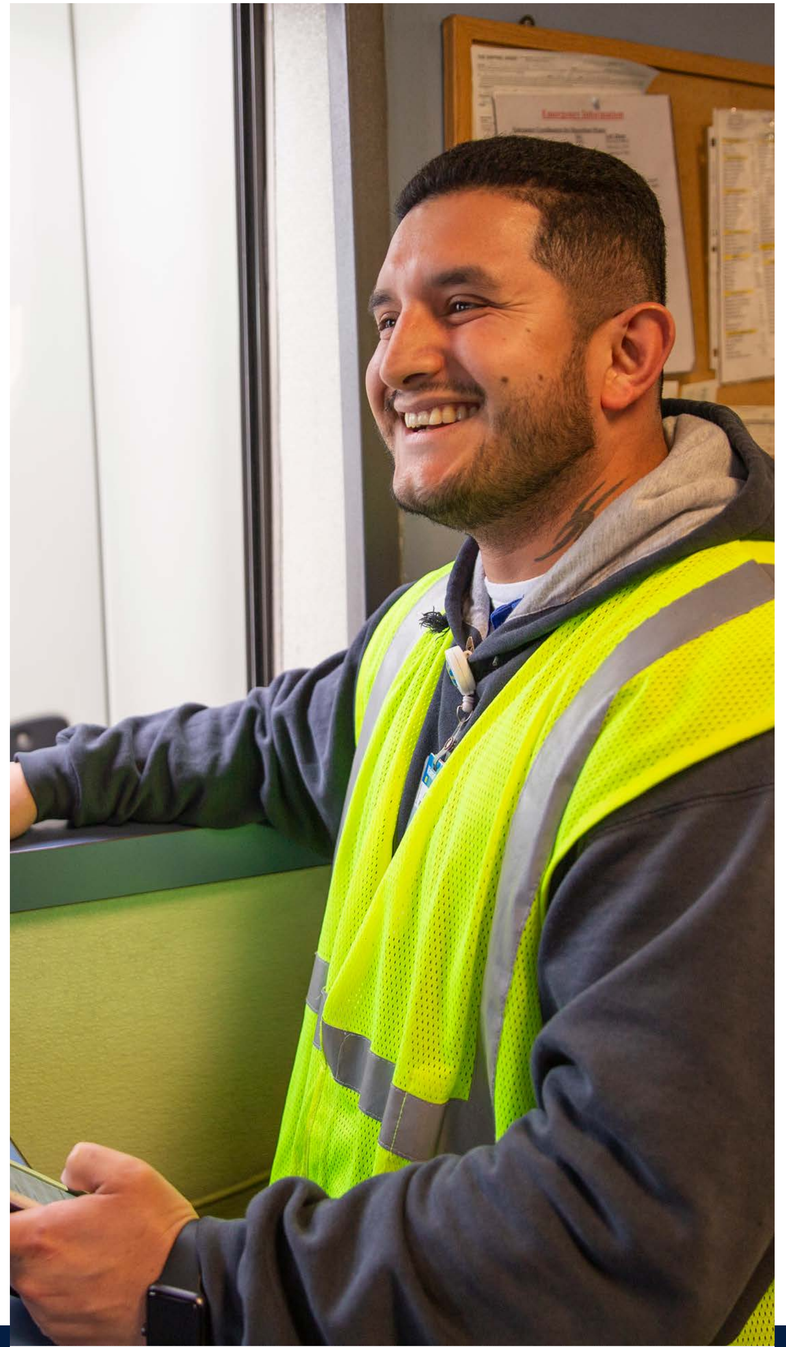
- Climate and renewable energy leadership
- Zero waste in operations, products and packaging
- Regeneration of natural resources: forests, land and oceans
- Sustainable product supply chains
- Dignity of people in supply chains

COMMUNITY

- Serving communities
- Access to safer, healthier food, products and services
- Disaster preparedness and relief

ETHICS & INTEGRITY

- Highest ethical and compliance standards
- Strong corporate governance
- Engagement in public policy
- Digital citizenship
- Respect for human rights



MANAGEMENT OF ESG

Leadership of ESG issues starts with our CEO—with oversight from committees of our Board of Directors—and cascades across our enterprise. Walmart's Chief Sustainability Officer (CSO) helps define the ESG agenda and provides dedicated management and oversight of Walmart's global ESG initiatives and goals. The CSO reports to our Executive Vice President of Corporate Affairs and provides updates on our ESG agenda and progress to the Nominating and Governance Committee of the Walmart Board of Directors and to the Walmart executive leadership team. Board committees also have oversight responsibility for particular ESG issues. Walmart business leaders shape and deliver ESG strategies relevant to their segments and functions. For example, the Real Estate team leads renewable energy initiatives and the People team leads human capital initiatives.

Additional governance bodies and working teams include:

- The **ESG Steering Committee**, 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, the Controller's Office, Investor Relations, Ethics and Compliance, Global Audit, People, Global Public Policy and Government Affairs and Sustainability.
- The **ESG department**, led by the Vice President, ESG, reports to the CSO and helps Walmart business leaders prioritize ESG issues and define impact theses. The team helps to improve ESG strategies, performance and disclosures; engage with investors and other stakeholders; and help shape the evolution of the ESG field to increase focus on shared-value impact.
- Other groups, such as the **ESG Disclosure Committee**, help to guide and shape the company's ESG strategy and disclosures.

Read more: **ESG oversight and management**

STAKEHOLDER ENGAGEMENT

Our ability to create shared value 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.

Day-to-day, we engage with customers, fellow associates, suppliers, members of the communities where we operate and shareholders.

Additionally, our 2021 ESG priority assessment included extensive outreach to stakeholders, including customers, associates, shareholders, suppliers and NGOs, to understand their perspectives on which issues Walmart should prioritize.

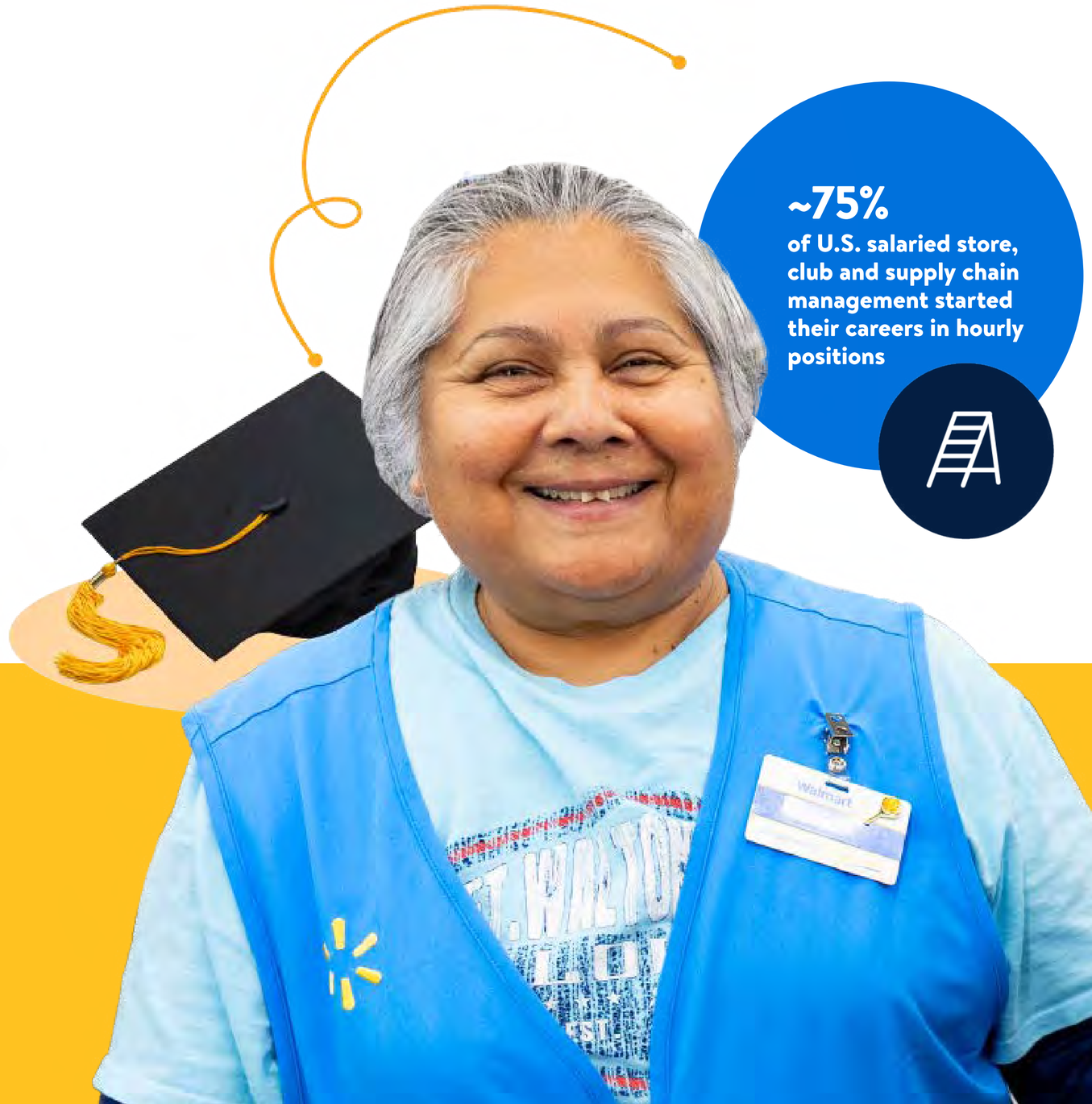
Read more: **Stakeholder engagement**

Opportunity

Retail can be a powerful engine for inclusive economic opportunity. We aim to advance equity and opportunity throughout Walmart, our supply chain and the communities we're in to fulfill our customer mission, strengthen our business and help people build a better life for themselves and their families.

Issue briefs

- Human capital: Good jobs & advancement for associates
- Equity & inclusion at Walmart & beyond
- Supplier opportunity

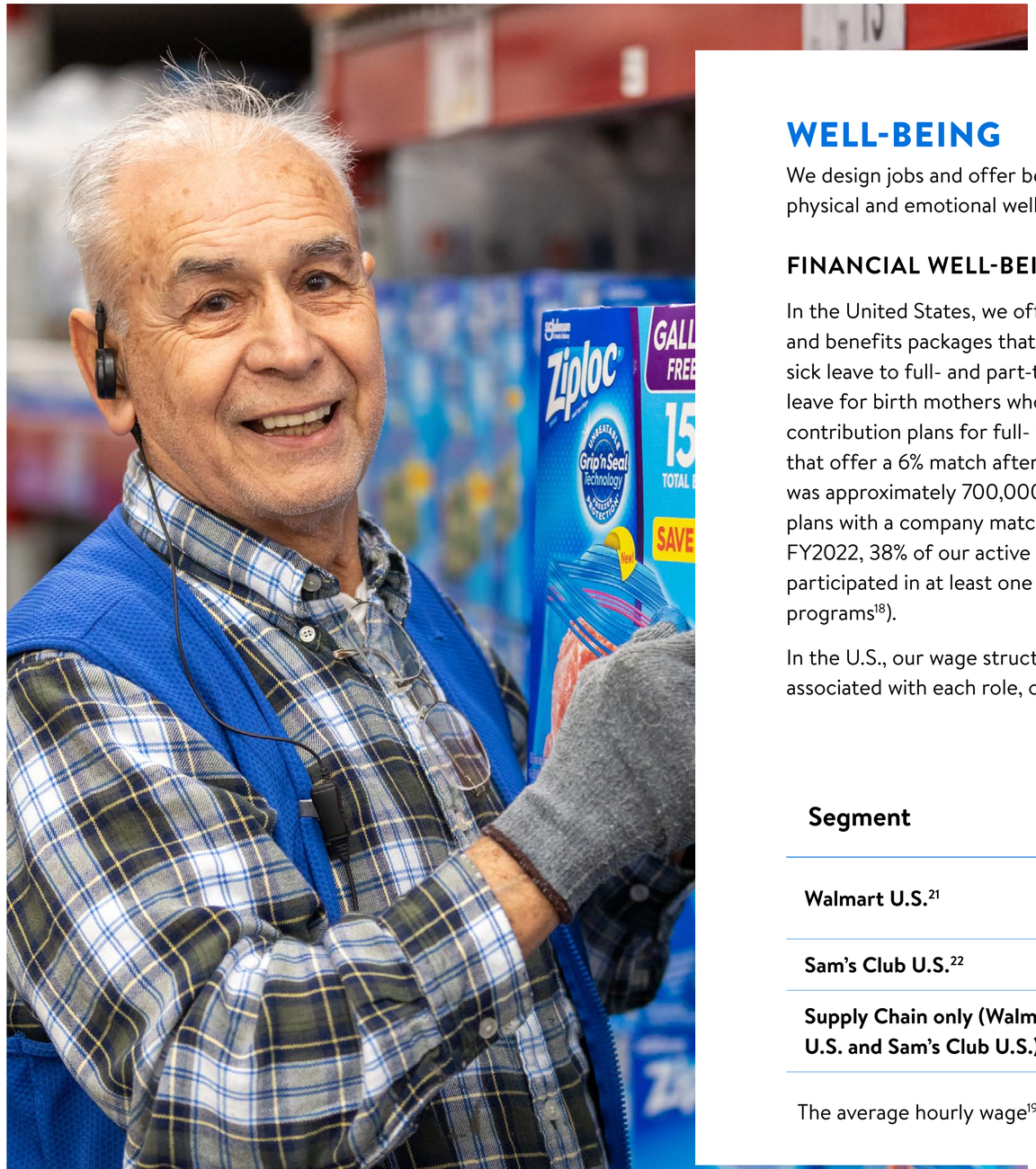


Human capital: Good jobs & advancement for associates

As one of the world's largest private employers, we seek to accelerate the professional development and advancement of our associates and help make retail a gateway to upward mobility. Our human capital development strategy focuses on inclusion, well-being, growth and digital enablement.

INCLUSION

We seek to make Walmart a place for everyone by creating opportunity and a sense of belonging. Walmart offers jobs with low barriers to entry; for some it's a first job and for others a second chance—with access to career paths ranging from retail management to technology to health care. We seek to enhance diversity across all levels in the organization. We are focused on equitably hiring, developing and rewarding our associates.



WELL-BEING

We design jobs and offer benefits that support the financial, physical and emotional well-being of our associates.

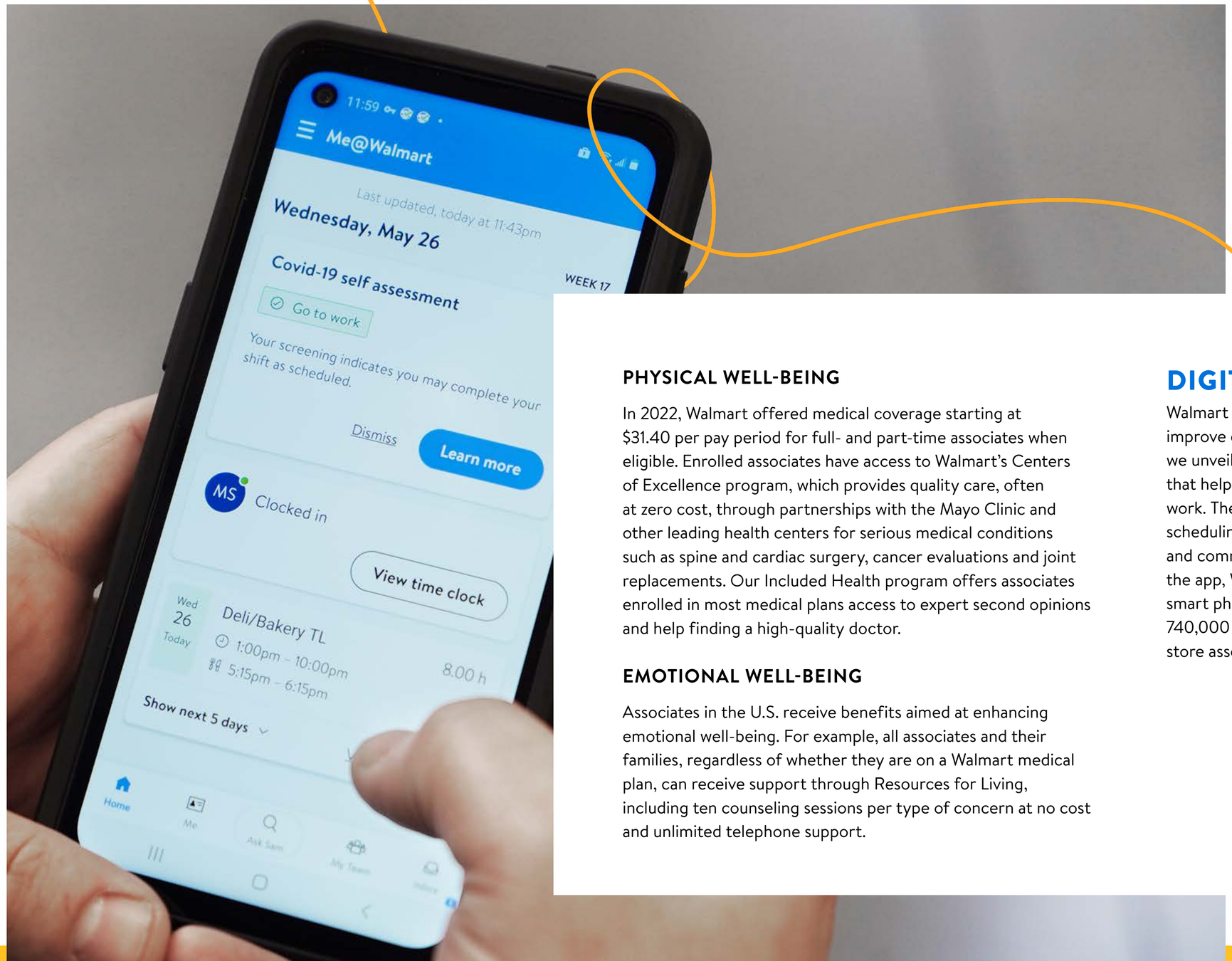
FINANCIAL WELL-BEING

In the United States, we offer competitive total compensation and benefits packages that provide paid time off (including sick leave to full- and part-time associates; up to 16 weeks' leave for birth mothers who are full-time associates[15]); 401(k) contribution plans for full- and part-time hourly associates that offer a 6% match after one year[16] (the average enrollment was approximately 700,000 in FY2022); and stock ownership plans with a company match of up to $270 per plan year[17] (in FY2022, 38% of our active full-time and salaried U.S. associates participated in at least one of Walmart's stock ownership programs[18]).

In the U.S., our wage structure reflects varied market rates associated with each role, our geographic footprint and our business format (e.g., Neighborhood Markets, Sam's Clubs, Supercenters, eCommerce fulfillment centers and supply chain warehouses). We continue to invest in higher pay for our associates, which has increased our average hourly wage to over $16.50 as of the end of FY2022.[19] As we continue to roll out our team-based operating model in U.S. stores, we've invested in higher-paying roles and increased pay for more than 1 million hourly store associates in FY2022, including raises for associates who work in the digital, stocking, front end, food and consumables and general merchandise areas of our stores. We also offer predictable yet flexible scheduling. Associates get their schedules at least two weeks in advance and can opt to work the same shift with their teams for at least 13 weeks. This model provides for consistent scheduling for up to 40 hours per week, helping associates to know what to expect in their paychecks. At the same time, associates can swap shifts or pick up extra shifts, giving them greater flexibility and ownership over their schedules.

Segment	Avg. hourly wage[19]	Avg. total hourly compensation[20]	Peer comparison
Walmart U.S.[21]	>$16.50	>$21.25	Grocery chains, multicategory retailers, dollar stores
Sam's Club U.S.[22]	>$17.25	>$22.50	Warehouse clubs
Supply Chain only (Walmart U.S. and Sam's Club U.S.)[23]	>$23.75	>$32.00	eCommerce fulfillment

The average hourly wage[19] in the U.S. is over $17 per hour as of the end of Q1 FY2023.



PHYSICAL WELL-BEING

In 2022, Walmart offered medical coverage starting at $31.40 per pay period for full- and part-time associates when eligible. Enrolled associates have access to Walmart's Centers of Excellence program, which provides quality care, often at zero cost, through partnerships with the Mayo Clinic and other leading health centers for serious medical conditions such as spine and cardiac surgery, cancer evaluations and joint replacements. Our Included Health program offers associates enrolled in most medical plans access to expert second opinions and help finding a high-quality doctor.

EMOTIONAL WELL-BEING

Associates in the U.S. receive benefits aimed at enhancing emotional well-being. For example, all associates and their families, regardless of whether they are on a Walmart medical plan, can receive support through Resources for Living, including ten counseling sessions per type of concern at no cost and unlimited telephone support.

DIGITAL

Walmart continues to integrate technology into our jobs to improve experiences for customers and associates alike. In 2021, we unveiled Me@Walmart, an app for U.S. store associates that helps connect them with their leader, their team and their work. The app allows associates to simplify daily tasks such as scheduling, clocking in, locating merchandise for customers and communicating with other associates. To support use of the app, Walmart is equipping U.S. store associates with new smart phones, free of charge. We have provided more than 740,000 devices and plan to expand the program to most U.S. store associates by the end of FY2023.

GROWTH

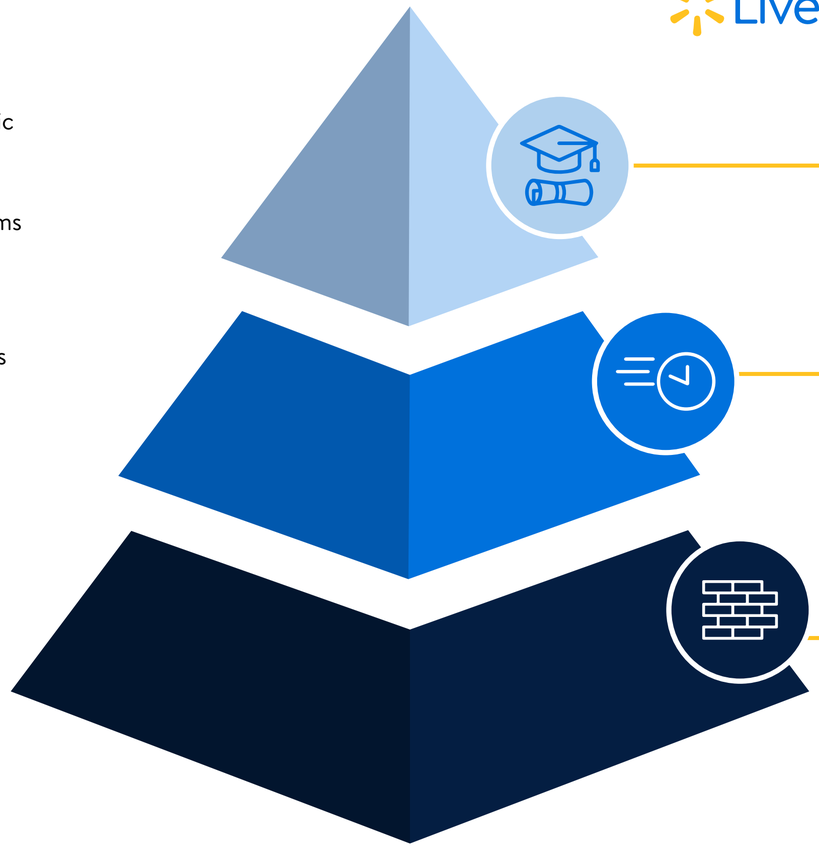
We are creating a ladder of opportunity so people can build a career at Walmart, regardless of where they start. Associates can begin working and learning on a team, receive role-specific Walmart Academy training and take advantage of our Live Better U education offering. Associates can use experiences and knowledge acquired through work or our learning programs to continue moving up to roles with greater responsibility and higher pay. Walmart has a track record of making growth and advancement a reality. Approximately 75% of our U.S. salaried store, club and supply chain management started their careers in hourly positions.

Walmart Academy helps associates learn through immersive teaching that combines technology, classroom training and ongoing coaching on the sales floor. In FY2022, we trained approximately 167,000 associates through Walmart Academy, including in-person and virtual trainings.

As of August of 2021, Walmart pays 100% of college tuition and books for LBU students. Since Walmart launched LBU in 2018, more than 72,000 Walmart associates have enrolled in the program and more than 11,000 students have completed LBU programs, including over 1,500 graduates who have earned an associate's or bachelor's degree in an in-demand field.{ Read more: Human capital: Good jobs & advancement for associates

LiveBetterU™

WALMART'S EDUCATION BENEFIT PROGRAM



DEGREE & CAREER DIPLOMA PROGRAMS

- Business
- Supply Chain
- Technology
- Health & Wellness
- Skilled Trades

SHORT-FORM PROGRAMS

- People & Business Leadership
- Project Management
- Business Analytics
- Supply Chain / Operations
- Process Improvement
- Human Resource Management
- Training & Staff Development
- Frontline Leadership

FOUNDATIONAL PROGRAMS

- English Language Learning
- High School Completion
- College Start (Bridge Program)
- ACT / SAT Test Prep
- College Courses for HS Students

LBU ACADEMIC PARTNERS

COLLEGE START · PENN FOSTER · BELLEVUE UNIVERSITY · University of Massachusetts Global · Southern New Hampshire University · THE UNIVERSITY OF ARIZONA · MOREHOUSE · Spelman College · LSU · THINKFUL · PATHSTREAM · VOXY · WILMINGTON UNIVERSITY · PURDUE UNIVERSITY GLOBAL · JOHNSON & WALES UNIVERSITY · UNIVERSITY of DENVER · NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

Equity & inclusion at Walmart and beyond

We believe that our business and communities are stronger and more resilient when all our associates, suppliers, customers and community members are included, heard and empowered. With approximately 2.3 million associates worldwide, a presence in thousands of communities and an extensive supplier base, we believe we can use our business to accelerate progress toward a more just and inclusive society in ways that also strengthen our company and better serve our stakeholders.

FOSTERING A CULTURE OF INCLUSION THROUGHOUT WALMART

We seek a workplace culture where associates at all levels are—and feel—included. We have set governance structures, incentives and reporting practices to guide this culture and drive accountability. Through training and resources, we strive to develop our associates to be inclusive leaders and seek to enhance belonging by listening to our associates and facilitating engagement in associate groups.

HIRING AND DEVELOPMENT

Our approach to hiring focuses on enhancing diversity and inclusion throughout the talent pipeline. For example, we guide hiring managers and recruiters to interview diverse candidate slates, assemble diverse interview panels and remove photos from the recruiting process to mitigate bias. We also have strategic partnerships with two Historically Black Colleges and Universities focused on strengthening pathways to careers at Walmart and support early career candidates across a broad portfolio of schools, the majority of which are minority-serving institutions. In FY2022, 56% of new hires in the United States were people of color and 51% were women.[24]

Walmart invests in associate development as a key strategy to create a more diverse, inclusive team at every level of our company. For example, we offer focused development programs, such as Gateways, a two-year professional development program that aims to accelerate a pipeline of diverse leadership talent and enable business growth. We also believe our Live Better U program can help address disparities in access to education and drive increased talent attraction, while creating upward mobility for associates and scaling our internal talent pipelines. Fifty percent of active LBU students identify as people of color.

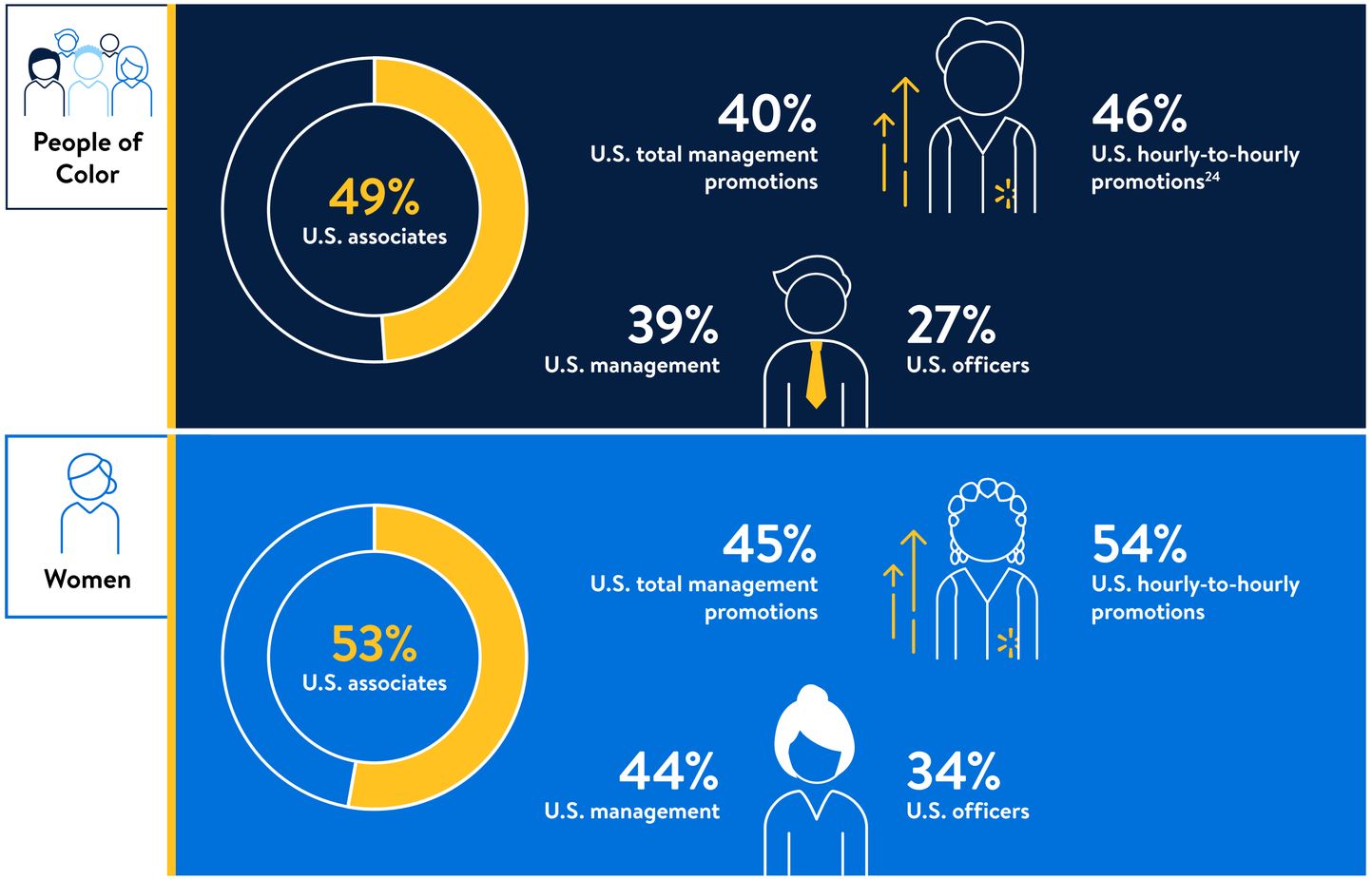
PAY EQUITY

Our strategy to grow diverse talent pipelines includes rewarding our associates equitably. Our latest pay analysis in Canada and the United States confirms that—taking into account relevant factors such as position, tenure and location—Walmart pays associates equitably regardless of race, ethnicity or gender. We conduct analyses of pay and compensation practices in consultation with expert third-party firms following industry-leading standards. Through pay and policy adjustments, we correct for unintended pay differences and where appropriate adjust for market competitiveness as part of our annual and ongoing reviews. We continue to review our processes and analyses beyond the U.S. and Canada so that we can consistently review and report on our equitable pay and practices globally.

ADVANCING EQUITY IN SOCIETY

We aim to advance diversity, equity and inclusion in society, helping to tackle drivers of systemic disparities through complementary business initiatives and philanthropic investments. We are focusing our efforts on the U.S. criminal justice, education, finance and health systems. Our Shared Value Networks (SVNs) are teams of associates who identify the natural overlaps between Walmart's business capabilities and opportunities to advance racial equity within our four systems of focus. To extend the impact of the SVNs, Walmart and the Walmart Foundation committed $100 million over five years to create the Walmart.org Center for Racial Equity. The Center has invested $35 million as of January 2022 to address racial inequities in these four systems.

Representation at Walmart—FY2022 U.S.[25]



Walmart's Shared Value Networks and the Walmart.org Center for Racial Equity pursue initiatives aimed at advancing racial equity in four societal systems. Examples include:

System	Business (Shared Value Networks)	Philanthropy (Center for Racial Equity)
Criminal Justice	**Second Chance Hiring:** Partnering with The Last Mile to provide technical training for incarcerated individuals, followed by wraparound services and job placement at Walmart once released from incarceration.	**Unlock Potential:** Supporting a hiring program led by the Responsible Business Initiative for Justice and Persevere, through which a network of community organizations and employers provide jobs and wraparound services for youth with incarcerated parents, foster youth, youth involved in the justice system and young people impacted by human trafficking.
Education	**Chicago Community Academy:** Hosting classes for community members in the Chatham neighborhood on topics such as entrepreneurship, resume writing, interviewing and personal finance, while providing our associates an opportunity to grow and develop the skills they need to build careers at Walmart and beyond.	**1890 Universities Foundation:** Helping students build careers in fields such as agriculture, healthcare and technology by supporting technical assistance and innovation across 19 1890 land-grant universities, including the launch of the Center of Excellence for Nutrition, Health, Wellness and Quality of Life.
Finance	**Financial Literacy:** Partnering with Operation Hope to launch a national initiative aiming to embed financial literacy into American culture and reach millions of youth and working adults to enable greater financial success.	**Women's Business Enterprise National Council (WBENC):** Supporting WBENC's Women of Color Outreach and Development Programs, which provide education, resources and access to peer and mentor networks for businesses owned by women of color to overcome barriers to their growth.
Health	**Healthier food and habits:** Working with community organizations to design, test and evaluate Walmart food and nutrition offerings to improve access to healthier food options for Black and African American communities experiencing food insecurity.	**American Heart Association Bernard J. Tyson Fund:** Supporting the Fund's work with community-based organizations and entrepreneurs in Atlanta and Chicago working to increase access to affordable and healthy food in communities of color.

Read more: **Equity & inclusion at Walmart & beyond**

Accessibility Center of Excellence

In FY2022, Walmart announced the formation of the Accessibility Center of Excellence (ACE). The ACE develops and implements strategies aimed at making Walmart the most inclusive retailer and employer for people with disabilities. The mission of the ACE is to define, design and deliver accessible experiences at scale by adopting a culture of awareness and action around accessibility, building the necessary infrastructure, creating leadership champions and onboarding teams to drive accessibility at scale.

>$13.3 billion
in goods and services sourced from diverse suppliers[26] for Walmart's U.S. businesses

$196 billion
incremental purchases in products supporting American jobs since 2013

Supplier opportunity

Through sourcing, Walmart aims not only to delight our customers but also to provide opportunities for economic growth and development for the people who work throughout our supply chains, including our suppliers, the people they employ and their communities. As part of our local and global sourcing programs, we pursue several initiatives focused on building a more inclusive, diverse supplier base and contributing to local economies. Our efforts include:

America at Work: In FY2013, we committed to invest an incremental $250 billion over ten years in products that support the creation of American jobs. As of the end of FY2022, we have sourced an incremental $196 billion. In March 2021, we announced a new ten-year commitment to invest an incremental $350 billion in products made, grown or assembled in the United States. The additional $350 billion commitment has the potential to support an estimated 750,000 new jobs.[27] As of the end of FY2022 we have increased U.S. purchases by $12 billion toward this new goal.

American Lighthouses: In 2021 we introduced American Lighthouses, aimed at identifying and overcoming barriers to U.S. manufacturing by fostering collaboration among manufacturers, NGOs, academia, government and local economic development groups. We are beginning by focusing on two supply chains—textiles and pharma/medical—and plan to expand the program to plastics, food processing and motors/metals.

Make in India: Walmart's Vriddhi Supplier Development Program aims to prepare 50,000 of India's micro-, small- and medium-sized suppliers to participate in global supply chains. Additionally, we announced an ambition to triple our exports from India to $10 billion each year by 2027.

Supplier inclusion: Walmart uses its sourcing strategies to foster equity and inclusion of underrepresented and disadvantaged groups while enhancing our product offering. In FY2022, Walmart's U.S. businesses spent over $13.3 billion in goods and services sourced from approximately 2,600 diverse suppliers. In 2021, we partnered with C2FO to expand our early payment program to help diverse suppliers[28] increase their cash flow by accelerating their receipt of invoice payments from Walmart; this gives these suppliers the ability to receive paid invoices within 48 hours of submission.

Read more: **Supplier opportunity**

Read more: **People in supply chains**

Sustainability

Walmart seeks to transform our business and product supply chains to be regenerative. In the following pages, we describe our approach to addressing issues and opportunities related to climate change, nature, waste and people working in product supply chains.

Issue briefs

- Product supply chain sustainability
- Climate change
- Regeneration of natural resources: Forests, land, oceans
- Waste: Circular economy
- People in supply chains

Committed to help protect, more sustainably manage or restore

50M acres of land

1M sq miles of ocean

by 2030

Product supply chain sustainability

As a multicategory retailer operating in multiple countries, Walmart engages suppliers, customers and NGOs in initiatives to improve the sustainability of product supply chains, including those related to the Walmart assortment. Our sustainability strategies include:

- Setting standards and requirements for products, including through policies, position statements and certification goals. For example, our Forests Policy sets out our approach to tackling deforestation and approach to higher-impact categories of palm oil, pulp and paper, beef and soy.
- Engaging Walmart suppliers to spark action, share best practices and tools and encourage measurement and disclosure, including through Project Gigaton™
- Leading and contributing to industry consortia and initiatives to accelerate collective action beyond Walmart on priority sustainability issues, including the Consumer Goods Forum, Seafood Task Force, Midwest Row Crop Collaborative and Sustainable Apparel Coalition
- Helping Walmart customers make informed choices through labeling and cause campaigns
- Advocating for public policies that align with sustainable supply chain priorities, including climate policy aligned with our Statement on Climate Policy
- Accelerating systems change beyond Walmart through philanthropic investments, including FY2022 investments to foster the development of credible standards to validate landscape initiatives and the development of high-potential jurisdictional and place-based initiatives

Read more: **Product supply chain sustainability**

Example certified commodities[29]

Commodity	% certified or sustainably sourced in FY2022
Fresh & frozen seafood[30]	Walmart U.S.: ~99% Sam's Club U.S.: ~99% Walmart Mexico: 82% Walmart Central America: 76%
Tuna[31]	Walmart U.S.: 70% Sam's Club U.S.: 50%
Coffee[32]	Walmart U.S.: 100% Sam's Club U.S.: 97%
Bananas[33]	Walmart U.S.: 99% Sam's Club U.S.: 99%
Pineapples[34]	Walmart U.S.: 88% Sam's Club U.S.: 82%
Palm oil[35]	Walmart Inc.: 90% certified segregated or mass balance
Pulp & paper[36]	Walmart Inc.: 92%

Product supply chain sustainability: Improvement priorities and strategies by product category*

		Consumables	Food	Apparel and home	Entertainment and hardlines
Improvement Priorities		GHG emissions, packaging & product waste, deforestation & conversion, forced labor & worker safety			
		Sustainable chemistry	Biodiversity Soil health, water management & chemical management Overfishing & IUU fishing Animal welfare Food Waste	Biodiversity Soil health, water management & chemical management	
Strategies and Initiatives	**Climate**	**Engage suppliers** on energy, nature, waste, packaging, transportation, product use & design **through Project Gigaton™** Provide suppliers with **tools & resources** **Lead consortia and advocate for public policy** aligned with Paris Climate Agreement			
	Waste	**Transition private brand packaging** for recyclability & post-consumer content **Engage suppliers** through Project Gigaton™ and provide playbooks & tools **Lead** consortia and **advocate for public policy** to promote circularity **Engage customers** on recycling and circularity **Support philanthropic efforts** in recycling infrastructure, materials innovation & design, consumer behavior			
			Engage suppliers and lead consortia on food waste Support philanthropic efforts in **food waste prevention & recovery**	**Increase recycled fiber** in products Promote **reuse & upcycling**	**Trade-in & refurbishment** program
	Nature	Set **sourcing** policies and position statements, including **certification** requirements **Engage suppliers** through Project Gigaton™, joint sustainability planning, collective action and access to tools & resources **Advocate for public policy** to advance nature-related goals Support **conservation and restoration** and investments in **traceability/transparency tools** through philanthropy			
		Source **RSPO-certified palm oil**	**Host sustainable commodity summits:** beef, row crops, tuna Encourage **place-based sourcing projects** **Address animal welfare** with suppliers **Walmart U.S. Pollinator Health** Position	Source **more sustainable cotton** & **cellulosic fibers** Source from suppliers using **Higg FEM**	Source **certified deforestation-free pulp & paper** Walmart U.S. **Pollinator Health Position**
	Respect for human rights	**Promote responsible sourcing** through standards, engagement, training, & monitoring Collaborate with suppliers & NGOs to **promote responsible recruitment** principles & reporting **Lead consortia** to promote responsible recruitment, worker safety, & enhanced ethical standards **Philanthropically support** demand for responsible labor, enhancement of certifications, improved transparency, & place-based initiatives			
			Promote supplier endorsement of **Ethical Charter** Engage produce & seafood suppliers to **set goals & report on responsible recruitment**	Leverage Nirapon & LABS to **improve factory safety**	**Promote alignment with** RBA Code of Conduct Engage ICT suppliers to **set goals & report on responsible recruitment**
	Inclusive economic opportunity	Support **U.S. manufacturing** through incremental spend Promote **supplier diversity** through sourcing and financing Enhance **supplier capacity and market access** through sourcing & philanthropy			
	Safer, healthier products	**Reduce priority chemicals** in formulated consumables **Enhance product safety** through standards, testing, training and collaboration	**Enhance food safety** through standards, audits, training, blockchain **Promote nutrition** and choice through reformulation, labeling, education, expanded assortment	**Enhance product safety** through standards, testing, training and collaboration	

* Table is intended as a guide to understand Walmart's product supply chain sustainability strategies. See the relevant issue briefs for full descriptions of goals and metrics.

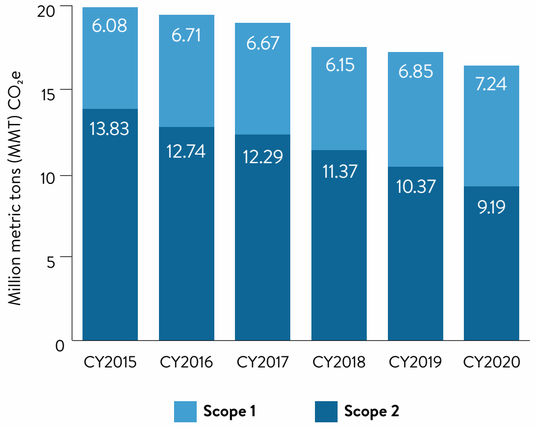
Climate change

Walmart aims to galvanize collective climate action across the retail and consumer goods sector through our operational emissions reduction initiatives, supplier engagement, innovation in product supply chain practices, advocacy and philanthropy, while taking steps to strengthen the resilience of our business against the effects of climate change.

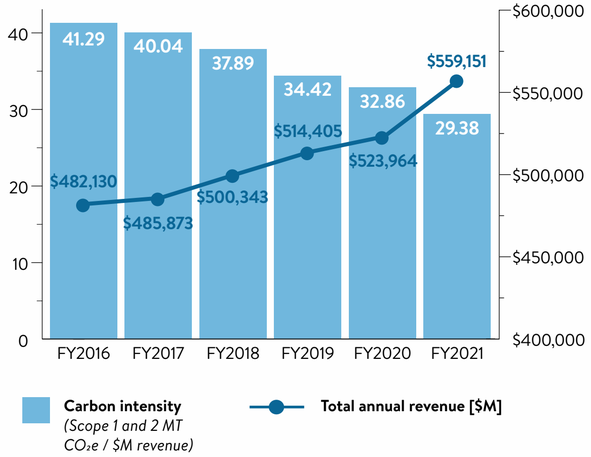
GOVERNANCE

The Walmart corporate sustainability team leads the development of the company's climate strategy, working with a team including finance, real estate, operations, merchandising, strategy and public policy. Walmart periodically conducts a scenario-based climate risk assessment, which informs Walmart's climate mitigation and adaptation strategies. Climate risk is also incorporated into the company's Enterprise Risk Management process. Walmart's executive leadership team reviews Walmart's climate strategy at least annually. The Nominating and Governance Committee of the Walmart Board of Directors oversees that strategy.

Annual GHG emissions [37]



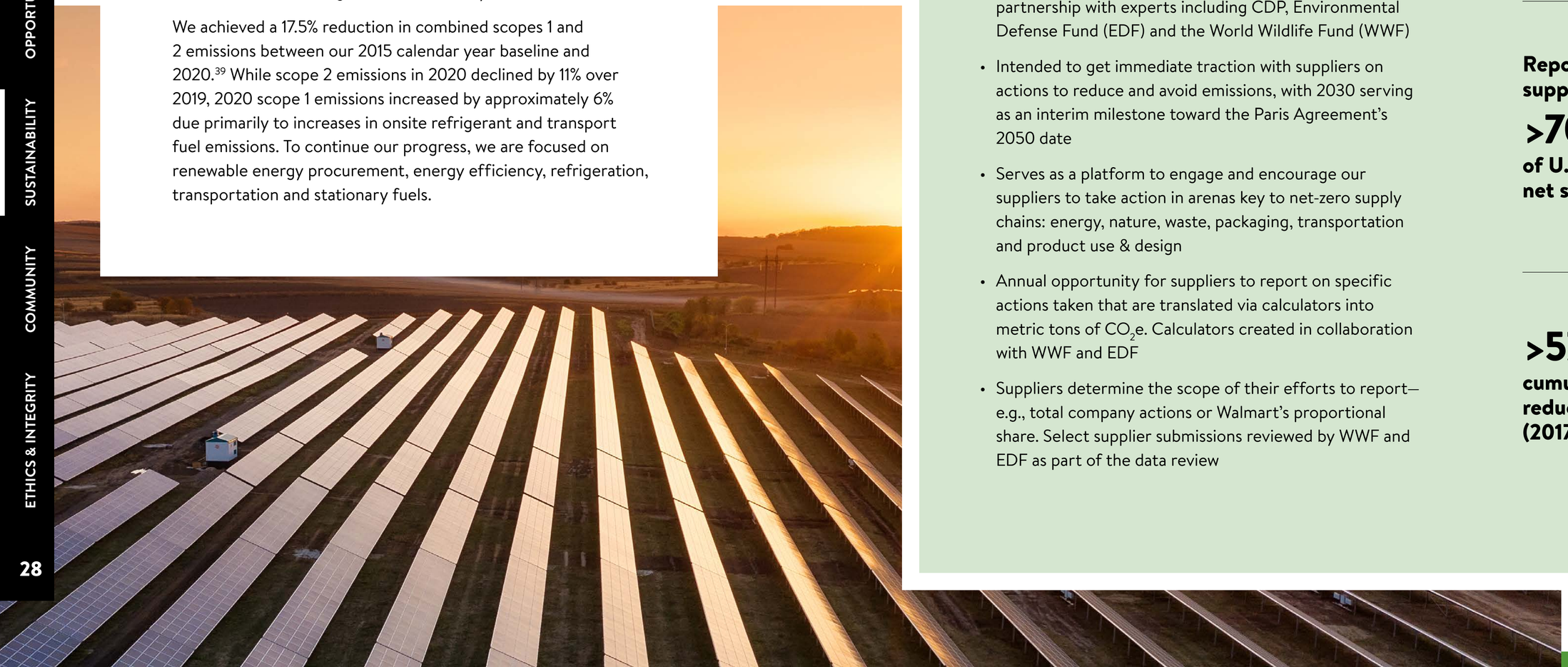
Carbon intensity [38]



MITIGATION

Walmart has committed to science-based targets (SBTs) for emissions reduction—including achieving a 35% reduction in absolute scopes 1 & 2 emissions by 2025 and a 65% reduction by 2030 (vs. 2015 base year)—on the way to achieving zero emissions in our operations by 2040. We are also committed to engaging suppliers through Project Gigaton™, an ambitious effort to reduce or avoid one billion metric tons (a gigaton) of GHG emissions in the global value chain by 2030.

We achieved a 17.5% reduction in combined scopes 1 and 2 emissions between our 2015 calendar year baseline and 2020.[39] While scope 2 emissions in 2020 declined by 11% over 2019, 2020 scope 1 emissions increased by approximately 6% due primarily to increases in onsite refrigerant and transport fuel emissions. To continue our progress, we are focused on renewable energy procurement, energy efficiency, refrigeration, transportation and stationary fuels.



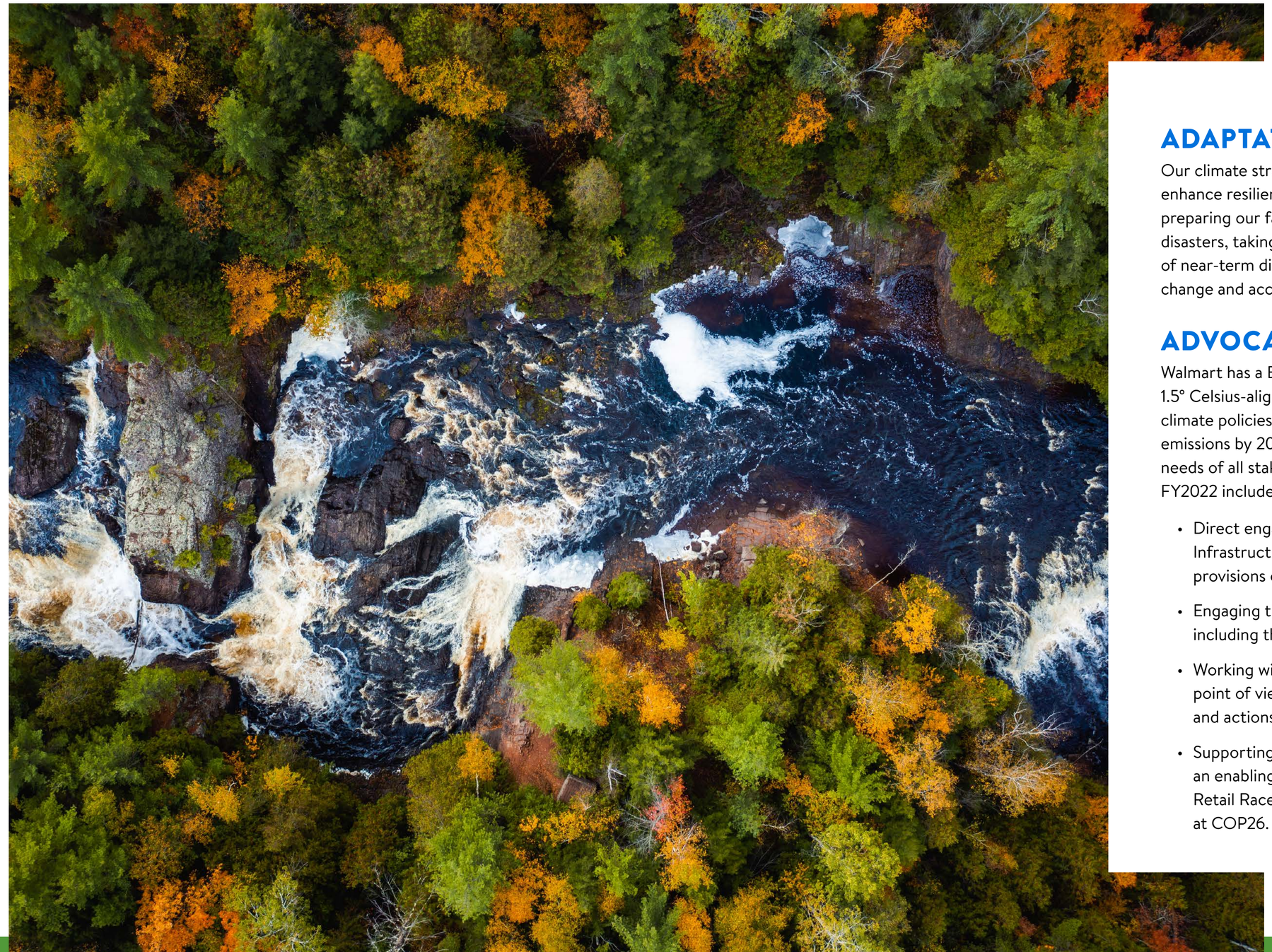
Project Gigaton™ – Key Highlights[40]

- Part of Walmart's approved science-based target and aligned with the 2° warming scenario
- Achieving the target would be equivalent to at least a 30% reduction of the estimated scope 3 footprint Walmart used as the basis for the initiative
- Target and accounting methodology developed in partnership with experts including CDP, Environmental Defense Fund (EDF) and the World Wildlife Fund (WWF)
- Intended to get immediate traction with suppliers on actions to reduce and avoid emissions, with 2030 serving as an interim milestone toward the Paris Agreement's 2050 date
- Serves as a platform to engage and encourage our suppliers to take action in arenas key to net-zero supply chains: energy, nature, waste, packaging, transportation and product use & design
- Annual opportunity for suppliers to report on specific actions taken that are translated via calculators into metric tons of CO_2e. Calculators created in collaboration with WWF and EDF
- Suppliers determine the scope of their efforts to report—e.g., total company actions or Walmart's proportional share. Select supplier submissions reviewed by WWF and EDF as part of the data review

>2,500
suppliers reporting in 2021

Reporting from suppliers representing
>70%
of U.S. product net sales

>574 MMT
cumulative emissions reduced or avoided (2017 through 2021)



ADAPTATION

Our climate strategy includes adapting our operations to enhance resilience in the face of climate risk. Strategies include preparing our facilities and associates for weather-related disasters, taking steps to enhance surety of supply in the face of near-term disasters and disruptions and longer-term climate change and accounting for transition risk in business planning.

ADVOCACY

Walmart has a Board-adopted climate policy and advocates for 1.5° Celsius-aligned, science-based national and international climate policies that are consistent with achieving net-zero emissions by 2050 and fairly and equitably addressing the needs of all stakeholders. Walmart's advocacy activities in FY2022 included:

- Direct engagement of lawmakers, including to support the Infrastructure Investment and Jobs Act and the climate provisions of Build Back Better.
- Engaging the public to make the case for climate action, including through blogs, op-eds, articles and forums.
- Working with trade associations and consortia to share our point of view on climate action and influence their positions and actions.
- Supporting other coalitions and initiatives advocating for an enabling policy environment, including co-leading the Retail Race to Zero campaign and representing the coalition at COP26.

Waste: Circular economy

We aim to break the link between consumption and waste as part of a movement toward a more circular economy, aspiring to achieve zero waste[41] to landfill or incineration in our operations as we work with suppliers, customers and communities to accelerate the adoption of circular packaging and products.

Achieving zero operational waste in Canada, Mexico and the United States by 2025: We diverted 78% of waste[42] globally in 2021. Our efforts include addressing secondary packaging, unsold food and general merchandise, automotive waste and unused assets. We are recycling corrugated cardboard, utilizing reusable packaging containers, recycling rigid plastics and plastic film, refurbishing fixtures, improving sell-through of food, donating food to food banks and other charities and converting food that is no longer edible to animal feed, compost or energy.

Reducing food waste in the value chain: We have set a 50% food waste reduction goal (by 2030 vs. a 2016 baseline); as of the end of 2021, we had achieved an 18% reduction.[46] We engage suppliers through Project Gigaton™, the Champions

Highlights

Percentage of waste[42] diverted from landfill and incineration:

- Global: 78%
- United States: 81%
- Canada: 89%
- Mexico: 72%
- Goal: 90% by 2025

Percentage of sales with How2Recycle label:

- Walmart U.S.: 80%
- Sam's Club U.S.: 84%
- Goal: 100% by 2022[43]

>7%

Global private-brand plastic packaging made from post-consumer recycled content.[44] Goal: 17% by 2025

58%

Global private brand packaging estimated to be recyclable, reusable or industrially compostable.[45] Goal: 100% by 2025

827 million

operational food waste diverted from waste stream through composting, animal feed, anaerobic digestion and biochemical processing.

12.3 10x20x30 initiative and the Consumer Goods Forum's Date Labeling Call to Action and Food Waste Coalition of Action.

Optimizing packaging and using labeling to help customers reduce, reuse and recycle: We joined the U.S. and Canada Plastics Pact as part of the Ellen MacArthur Foundation's initiative to create a circular economy for plastics. In 2021, 58% of our private brand packaging was recyclable, reusable or industrially compostable, up from 54% the prior year, toward our goal of 100% by 2030.[47] In 2021, 7% of our private brand packaging was made of post-consumer recycled content, down from 11% the year prior,[48] while our virgin plastic volume increased by 3%, a headwind against a new goal we announced to reduce our private brand packaging 15% by 2025 (vs. a 2020 baseline). The decreased post-consumer recycled content and the increase in virgin plastic are largely attributable to global shortages of post-consumer recycled content, which reduced availability and increased prices substantially. We are focused on helping our suppliers secure additional supplies of post-consumer recycled content and taking other steps, including overall packaging reductions, to get back on track. In collaboration with the Association of Plastic Recyclers, we developed the Walmart Recycling Playbook, hosted a 2021 Sustainable Packaging Innovation Summit and supported the development of Plastic IQ, a scenario-modeling tool, used by over 170 companies that represent approximately 20% of all plastic packaging generated in the U.S.

Addressing plastic bags: Walmart is undertaking multiple efforts to reduce single-use plastic bag material, which we estimate accounts for approximately 15% of our global plastic packaging footprint. We have eliminated single-use plastic bags in Canada and parts of Mexico, as well as several states (Connecticut, Maine, New York and Vermont). Since 2020, we have been a partner in Closed Loop Partners' Beyond the Bag effort, which aims to identify scalable alternatives to single-use plastic bags. In 2021, the consortium welcomed winners of the Beyond the Bag Challenge into a six-month accelerator that pilots innovative solutions.

Engaging customers: We set a goal to have the How2Recycle label on 100% of Walmart U.S. private-brand food and consumable products by 2022. As of our 2021 reporting cycle, 80% and 84% of Walmart U.S. and Sam's Club U.S., private-brand food/consumables supplier-reported sales respectively came from items carrying the How2Recycle label.[49] We also offer our customers the opportunity to recycle, taking in >1.9 million pounds of recyclable materials—including plastic bags and film—from customers in 2021. Additionally, we offer ecoATM kiosks to make it simple and convenient for consumers to sell back used smart devices; in FY2022, we collected 3.4 million devices for reuse and recycling through ecoATM machines. Through philanthropy, we support programs to expand the availability and understanding of how to recycle in the U.S.

Read more: **Waste: Circular economy**

Regeneration of natural resources: Forests, land, oceans

Many of the products we sell are derived from or depend on nature. We aspire to operate our business in a way that regenerates natural resources, with a goal to help to conserve, restore, or more sustainably manage at least 50 million acres of land and 1 million square miles of ocean by 2030. Our nature initiatives focus on grasslands, forests and seascapes that have high value for nature, relate to our product sourcing footprint and afford opportunities for Walmart, our suppliers, or NGO collaborators to influence change.

SETTING PRIORITIES

In 2020, we identified critical landscapes and seascapes that have high value for nature, relate to our product sourcing footprint and afford opportunities for Walmart, our suppliers, or NGO collaborators to influence change. Those areas are grasslands, forests and oceans.

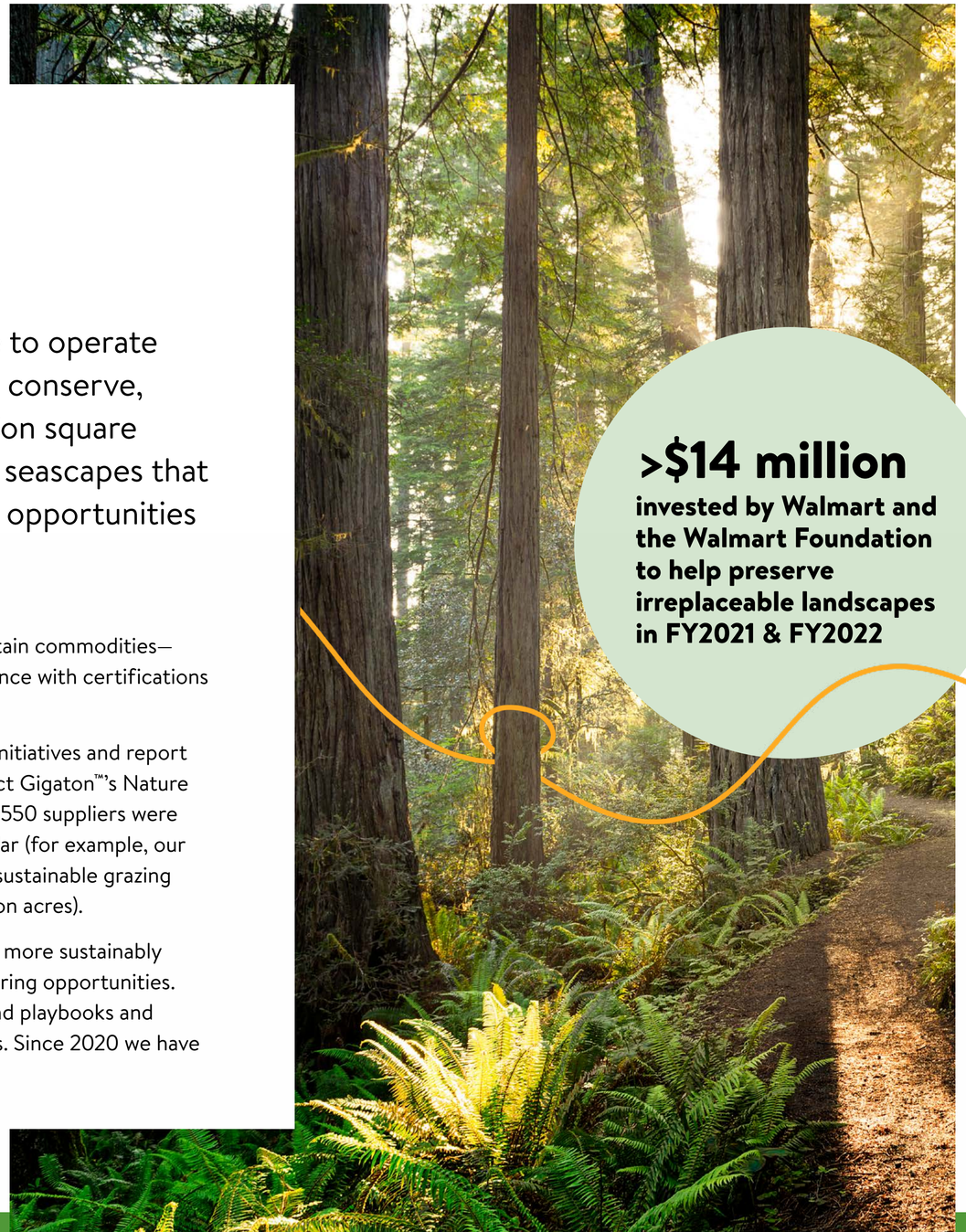
SUSTAINABLE SOURCING

As a retailer, we believe product sourcing can play a major role in achieving our nature goals. We set sourcing specifications and aspirations through policies and position statements (for example, Forests Policy, Seafood Policy, Sustainable Row Crop Position Statement and Walmart U.S. Pollinator Health Position).

We encourage our suppliers to source certain commodities—including palm oil and seafood—in accordance with certifications that support our nature-related goals.

We encourage suppliers to pursue nature initiatives and report on their progress, including through Project Gigaton™'s Nature pillar. As of the end of FY2022, more than 550 suppliers were reporting progress through the Nature pillar (for example, our fresh beef suppliers report implementing sustainable grazing management practices on over half a million acres).

We also support supplier efforts to source more sustainably by providing resources and knowledge-sharing opportunities. Our Sustainability Hub houses guidance and playbooks and connects suppliers to place-based projects. Since 2020 we have



>$14 million
invested by Walmart and the Walmart Foundation to help preserve irreplaceable landscapes in FY2021 & FY2022

also hosted summits on key topics like tuna, beef and row crops where Walmart merchants, suppliers and stakeholders discuss strategies, aspirations, achievements and challenges.

Read more: **Product supply chain sustainability**

SUPPORTING CONSERVATION AND RESTORATION

We support conservation and restoration initiatives, primarily through philanthropy. For example, over the past 17 years, the Walmart Acres for America program (in partnership with the National Fish and Wildlife Foundation) has helped protect more than 1.8 million acres across 41 states, the District of Columbia and Puerto Rico—an area larger than Everglades National Park. And in November 2021, Walmart.org joined the LEAF Coalition, a new public-private initiative designed to accelerate climate action by providing results-based finance to national and sub-national jurisdictions committed to protecting and restoring their tropical forests.

INVESTING IN PLACE-BASED INITIATIVES

We support the development of place-based and jurisdictional initiatives, which aim to create shared value for producers, suppliers and communities across a landscape or seascape through activities that restore and rebuild the natural resources that communities depend on and that produce the goods we sell. For example, in FY2022, we partnered with the Nature Conservancy and the government of the Republic of the Marshall Islands (RMI) to more sustainably source tuna for our private brand and support communities throughout RMI.

ADVOCATING FOR AND INVESTING IN ENABLERS

We leverage our voice, convening power and strategic philanthropy to advocate for an enabling environment that supports our nature objectives. Examples in FY2022 include submitting a letter of support to the U.S. Senate regarding the passage of the Growing Climate Solutions Act, engaging with Business for Nature and supporting the development of new collaborative technologies.

Read more: **Regeneration of natural resources: Forests, land, oceans**

People in supply chains

We aim to source responsibly while acting as a catalyst to improve the well-being of people working in consumer product supply chains. We pursue these goals through our responsible sourcing programs, creating economic opportunity for people in supply chains and by collaborating to address systemic risks to workers.

RESPONSIBLE SOURCING

Our Responsible Sourcing program sets expectations for product suppliers in alignment with our Human Rights Statement, monitors supplier performance against those expectations and works through our business to continuously improve our product supply chains. In FY2022, we assessed approximately 14,000 third-party audits of facilities producing products for Walmart and managed more than 700 cases involving allegations of supply chain misconduct. In 2021, we revised and reissued our Standards for Suppliers and issued new Responsible Sourcing and Forced Labor Prevention policies.

CREATING ECONOMIC OPPORTUNITY FOR PEOPLE IN SUPPLY CHAINS

Growing, making and transporting products can significantly benefit local economies and provide economic opportunity for people who work in product supply chains.

For example, 92% of merchandise sold in Mexico is sourced in the country while 83% of merchandise sold in Central America is sourced from the region. In these markets as well as in India and South Africa, Walmart teams work to develop small producers as suppliers and to help them reach Walmart's customers. In the U.S., our annual Open Call event allows hundreds of small- and medium-sized business owners from across the country to pitch products made, grown or assembled in the U.S. to our Walmart U.S. and Sam's Club U.S. merchants.

Additionally, the Walmart Foundation helps promote market access for small producers. Since 2017, the Foundation has awarded grants of more than $67 million that are expected to benefit more than 730,000 smallholders (44% of whom are women) in Central America, India and Mexico. The grants provide access to training and capacity development along with market linkages for smallholders in Farmer Producer Organizations (FPOs). As part of these efforts, the Walmart Foundation committed $25 million over five years to strengthen smallholders in FPOs in India. The Foundation has met this commitment through grants totaling more than $29 million, providing support for over 590,000 smallholder farmers, 48% of whom are women.

COLLABORATING TO ADDRESS SYSTEMIC RISKS TO WORKER WELL-BEING

Systemic issues such as forced labor, unsafe working conditions and gender inequity require collective action to bring about significant, positive and lasting protection of worker well-being. Walmart and the Walmart Foundation collaborate with suppliers, NGOs, experts and others to address root causes of these issues, foster solutions and accelerate adoption at scale. We have committed to working with others to address risks to the dignity of workers in a minimum of 10 retail supply chains by 2025, focusing on the following supply chains to date:

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

FORCED LABOR

Walmart has prioritized working with stakeholders to combat forced labor and other exploitative practices in global supply chains, including helping to make responsible recruitment the standard business practice for employers throughout global supply chains.

To advance responsible recruitment across our supply chain, we launched a Supplier Responsible Recruitment initiative at the March 2022 Walmart Supplier Growth Forum. The initiative invites suppliers (starting with seafood and produce) to adopt and report on practices related to recruiting, worker empowerment and transparency that are believed by experts to facilitate responsible recruitment.

We also promote the adoption of best practices in certain category supply chains. For example, as of the end of FY2022, 69% of Walmart U.S. fresh produce and floral net sales came from suppliers who have endorsed the Ethical Charter on Responsible Labor Practices (we aim for 100% by the end of calendar 2022). In FY2022, 87% of Walmart U.S. information, communication and technology net sales were from suppliers who implemented the Responsible Business Alliance (RBA) Code of Conduct.

To accelerate system-wide change, the Walmart Foundation has awarded over $45 million in grants since FY2016 to help strengthen worker dignity by promoting the responsible recruitment of workers and fair and responsible labor practices in global supply chains.

WORKER SAFETY

Building on our experiences as a founding member of the Alliance for Bangladesh Worker Safety, Walmart is a founding member of the Life and Building Safety initiative (LABS), an initiative of European and American brands to set international best practices for factory safety in the apparel and footwear industries. LABS works with engineering companies to develop country-specific factory safety standards and commissions fire, electrical and structural audits of factories. Factories develop supervised corrective action plans to remediate problems and are assessed on their implementation of those plans. LABS has been active in India and Vietnam since 2019, covering over 572,000 workers. The program expanded to Cambodia in May 2022 and is expected to cover approximately 206,000 additional workers.

Read more: **People in supply chains**

Read more: **Human rights**

Read more: **Supplier opportunity**

Community

As an omni-channel retailer with stores in thousands of communities around the world, we seek to help those communities thrive and become more resilient.

>356K
hours volunteered for local causes by...

>18K
U.S. associates through the Volunteerism Always Pays program

Issue briefs

- Serving communities
- Safer, healthier food & other products
- Disaster preparedness & response

Serving communities

We create value for the communities we operate in by providing access to affordable products and services and by contributing to economic vitality and community resilience.

ACCESS TO AFFORDABLE PRODUCTS AND SERVICES

Approximately 90% of American households live within 10 miles of Walmart stores and clubs and our eCommerce capabilities allow us to reach many more. With our omni-channel model, we provide affordable access to essential products and services, including pharmacy, health and wellness and financial services.

OUR COVID-19 RESPONSE IN FY2022

Testing: Walmart worked closely with federal and state governments, labs and insurance companies to expand COVID-19 testing, including standing up free community testing sites and testing at drive-up pharmacy windows. As of January 2022, we supported more than 800 testing sites across the country and have tested hundreds of thousands of people.

Vaccinations: Walmart has administered millions of vaccines across the United States, with 80% being delivered in medically underserved communities as classified by the Health Resources and Services Administration. A report by the Network Contagion Research Institute concluded that Walmart outperformed the aggregate as a vaccine distribution network and was able to reach key areas of vaccine-reluctant populations. We have offered vaccinations in all Walmart and Sam's Club pharmacies, with more than 5,100 retail locations across the United States.

CONTRIBUTING TO ECONOMIC VITALITY

Our business supports the economic strength of communities by:

- Providing quality jobs: Walmart jobs provide competitive pay, benefits, training and skill-building and mobility to approximately 2.3 million associates around the world.
- Investing in local suppliers: According to data from our suppliers, in FY2022, nearly two-thirds of Walmart U.S.'s total product spend was on items made, grown or assembled in the United States, and 92% of merchandise sold in Mexico was sourced there.
- Contributing to tax revenue: In FY2022, Walmart paid more than $5.9 billion in corporate income-based taxes worldwide. These tax dollars provide revenue to fund services, projects and programs such as fire, police, schools, libraries and community health services.

STRENGTHENING COMMUNITY RESILIENCE

We invest in communities through local giving, encouraging volunteerism and supporting programs to strengthen community cohesion. For example, in FY2022:

- Walmart and Sam's Club facilities in the U.S. gave more than $44 million to nonprofit organizations in their local communities.[51]
- More than 18,000 U.S. associates volunteered more than 356,000 hours at local organizations, which Walmart further supported with cash donations of more than $3.1 million.
- The Walmart Foundation contributed funds towards community cohesion projects, including $1 million to Welcoming America to train community leaders on strategies to increase belonging and to help communities develop inclusive policies and practices that enable all residents to thrive and contribute fully.

Read more: **Serving communities**

Read more: **Safer, healthier food & other products**

Read more: **Disaster preparedness & response**

Safer, healthier food and other products

Providing safer, healthier and more affordable food and other products is central to our mission to help people save money and live better. In addition to providing food access in thousands of communities around the world, we work to strengthen policies, standards and practices to sustain the safety and quality of our assortment. We also engage our customers and work with others on industry-wide efforts in consumer education, food and product safety and access to the food and products people want and need.

FOOD ACCESS

Beyond bringing a food assortment to thousands of communities through our stores and clubs, we also offer grocery pickup at approximately 5,200 Walmart U.S. stores and Sam's Clubs. In FY2022, over 55% of our Walmart U.S. net sales were from grocery items and over 60% of our Sam's Club net sales were from grocery and consumables.

In addition, our stores, clubs and distribution centers in the U.S. donated more than 696 million pounds of food[52] to Feeding America food banks in FY2022. Since 2006, our stores, clubs and distribution centers have donated more than 7 billion pounds of food. Currently, SNAP benefits can be used for grocery pickup and delivery orders in 49 states as well as on Walmart.com.

HEALTHIER FOOD OPTIONS

Our Great For You icon—which has scored in the top tier of nutritional standards—helps customers build healthier diets. As of May 2022, approximately 30% of items in fresh produce and food items across the Great Value, Marketside and Parent's Choice private brands qualify for the Great for You icon.[53] In 2021 we began work to update the standard to match 2020-2025 Dietary Guidelines for Americans and aim to benchmark our assortment against the updated standard. In FY2022, we launched our Built for Better program on Walmart.com, which helps customers identify products that are made with the well-being of people and the planet in mind. The Built for Better—For You icon helps customers identify items focused on their family's well-being, from more nutritious options (like Great for You) to those made without materials or ingredients they may not want.

FOOD SAFETY

Walmart maintains a global food safety compliance program to assist Walmart associates and suppliers in meeting our expectations for safety. Our Global Food Safety Compliance team assesses food safety risks, sets standards, implements and trains associates on the required controls and monitors the effectiveness of the program. In FY2022 we trained over 980,000[54] associates around the globe on at least one food safety course.

SUSTAINABLE CHEMISTRY

In 2018, we set a goal of reducing by 10% our footprint[55] of priority chemicals in formulated consumables products sold in Walmart U.S. and Sam's Club U.S.[56] We asked suppliers to reduce priority chemicals by accelerating reformulations and certifying products. As of 2020, we had achieved a 17% reduction against our 2017 baseline. In FY2023, we plan to update our policy and our program commitment.

Read more: **Safer, healthier food & other products**

>$24 million
donated globally toward disaster recovery and preparedness

Disaster preparedness & response

In any given year, Walmart's stores, clubs and the communities that surround them may face risks related to disease outbreaks and pandemics, breakdown of infrastructure, violence and extreme weather. The National Oceanic and Atmospheric Administration (NOAA)[57] reports that the United States experienced 20 separate billion-dollar weather and climate disasters in 2021, one of the most catastrophic years on record. We mitigate the impact of disasters with a focus on associate safety and well-being and recovery of business operations to serve communities in need. Efforts in 2021 included:

- We powered stores, clubs and distribution centers for more than 10,000 hours using mobile generators while grid electricity was unavailable in 2021. Generator power allowed us to keep supply chain, fuel, health & wellness and other critical functions operating to support impacted communities.
- When Hurricane Ida left widespread power outages, our stores and parking lots served as hubs for resources including medications, charging stations and laundry facilities. We donated water and food, including 60 truckloads of produce, deli and meat, to Feeding America food banks in the area. Additionally, the Walmart Foundation provided over $4.3 million in grants to nonprofit organizations that provided hot meals, emergency relief and help with clean-up efforts.
- Walmart activated customer campaigns, including a $5 million match program, to support the American Red Cross's response to Hurricane Ida and other natural disasters in 2021.
- The Walmart Foundation made a $3 million investment in the Gulf region to build capacity among community-based organizations and municipal governments to help vulnerable communities prepare for and mitigate the impact of disasters.
- Walmart and the Walmart Foundation continued to support global efforts to combat the COVID-19 pandemic. Walmart donated more than 3,000 oxygen concentrators and 20 oxygen-generating plants to the COVID-19 response in India. The Walmart Foundation also donated approximately $2 million to two NGOs responding in India.

Read more: **Disaster preparedness & response**

Ethics & Integrity

Walmart strives to make trust a competitive advantage; integrity builds trust in our business and modeling the highest standards of ethics and compliance helps us create and maintain a culture of integrity.

Issue briefs

- Ethics & compliance
- Corporate governance
- Engagement in public policy
- Digital citizenship: Ethical use of data & responsible use of technology
- Human rights

>2 million associates
completed ethics training in FY2022

Ethics & compliance

At every level of our company, we work to create a culture that inspires trust among our associates, with our customers and in the communities we serve. We do this by establishing ethics and compliance programs, setting standards and controls, training associates and responding to issues. Our standards include our Code of Conduct, which lays out our values, principles and the behaviors we expect of associates and our Standards for Suppliers, which describes our supplier expectations.

Read more: **Ethics & compliance**

>1,000
associates worldwide in roles dedicated to ethics, compliance and corporate governance management

29
languages spoken on the 24/7 Walmart ethics helpline

11
languages available on the globally-accessible ethics website

New Code of Conduct in 2021
focused on acting with integrity to build trust in each other and with our customers, members and stakeholders

>77,400
associates completed anti-corruption training

Corporate governance

Strong corporate governance starts with setting the structures and incentives to help the company thrive in the long term and flows through to everyday practices.

BOARD AND MANAGEMENT OVERSIGHT OF STRATEGY AND RISK

Our approach to corporate governance includes:

- Maintaining a majority independent Board with diverse backgrounds and relevant experiences and skills
- Effective Board and management oversight of strategy, risks and opportunities, including through Board and management committees
- Developing a talented and diverse pipeline of leaders
- Designing compensation programs to support our enterprise strategy and to align our leadership team with our culture, strategy and organizational structure
- Engaging regularly with and receiving feedback from a wide variety of stakeholders, including shareholders, customers, associates and suppliers

ESG OVERSIGHT

While management is responsible for developing ESG strategies, the Board oversees the overall ESG strategy and certain priority issues. Examples include:

- Walmart's Chief Sustainability Officer provides updates on the ESG agenda and progress to the Nominating and Governance Committee (NGC). In 2021, the NGC discussed Walmart's ESG strategies and progress, including our climate and public policy strategies and practices.
- The Audit Committee oversees ethics and compliance as well as cybersecurity and information security. In 2021, the committee discussed data privacy and digital citizenship.
- The Compensation and Management Development Committee oversees human capital. In 2021, the Committee discussed continued investment in wages and benefits, senior leadership development and COVID-19 response, among other topics.

Board of Directors[58]

27% female

18% identify as racially/ethnically diverse

12-year term limit for Independent Directors

Board independence

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

Robust Lead Independent Director role

10 of 11 Directors are non-management

In 2021, we advocated for the Infrastructure Investment and Jobs Act, which includes investments to support climate resilience; for an expansion of the role of pharmacists in vaccination, testing and other areas as a way to help reduce health disparities; and in support of a national privacy law to give consumers greater control over their data and companies reasonable compliance standards.

Engagement in public policy

We aim to support public policy that is in the interest of our business, customers, associates and other stakeholders. Issues of focus include climate change, corporate tax policy, healthcare, individual data privacy, marketplace trust and transparency, racial equity, trade and U.S. manufacturing. We believe transparency builds trust with our stakeholders and aids in making the public case on our priority issues.

Governance. Walmart's Government Relations Policy (updated and republished in 2022) sets forth our policies and procedures relating to interactions with public officials, political contributions, trade association memberships and reviews, Board and Board committee oversight of public policy activities and transparency.

Advocacy activity. Walmart makes state and federal lobbying information available on our Investor Relations website. Our Engagement in public policy brief provides examples of direct engagements with policymakers, engagements with trade associations and public-facing advocacy on priority issues including those related to climate change and racial equity.

Political contributions. The Walmart Inc. Political Action Committee for Responsible Government (WALPAC) allows eligible Walmart associates help to elect lawmakers (regardless of political party affiliation) at the federal level and in certain states. All contributions at the federal level are publicly disclosed.

Trade associations. Walmart is a member of trade associations and coalitions that the company believes can assist us in achieving our long-term strategic objectives. Some of these trade associations engage in lobbying and policy advocacy. Walmart has disclosed its major trade association memberships (those to which Walmart contributed $25,000 or more in 2021), explained how we engage trade associations and evaluate our memberships and funding and provided examples of how Walmart has engaged trade associations on public policy matters. Walmart also has disclosed other organizations and coalitions it supports that are active in shaping policy on ESG priority issues.

Read more: **Engagement in public policy**

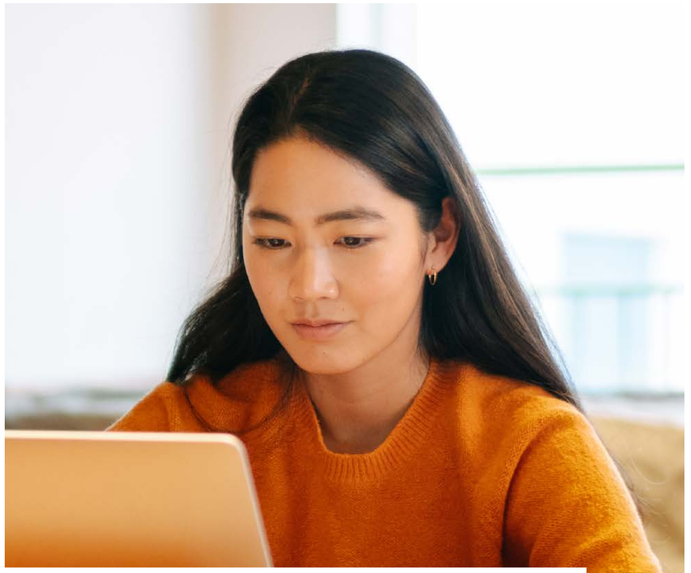
Digital citizenship: Ethical use of data & responsible use of technology

Our customer proposition has evolved beyond stores and clubs to a more digital, omni-channel experience. Today, almost every aspect of Walmart's business relies on the use of technology and data, including personal data from our customers. Our ability to propel our flywheel depends on securing and maintaining customer trust.

Digital values: Our values inform the decisions we make regarding new technologies, services and data use; policies and controls related to the use and sharing of personal information; responsible management of data, records and information; and protection of our information and digital infrastructure from cyber intrusions. In operationalizing our digital trust commitments, we seek to design globally and deploy locally, design for customer usability and choice and decrease implicit and actual bias and increase transparency. We joined the the Data & Trust Alliance, through which we are adopting an algorithmic bias toolkit for evaluating how vendors detect, mitigate and monitor algorithmic bias in workforce decisions.

Cybersecurity: We work to ensure a secure environment through risk management, training and communication and incident management. We annually assess our cybersecurity programs against third-party requirements including NIST-CSF, PCI, HIPAA and SOX; our most recent external assessment occurred in FY2022 when external auditors reviewed our information technology infrastructure and our information security management systems. We train Walmart associates, partners and vendors with access to the corporate network with respect to risk, roles, policies, standards and behaviors. And we have established procedures for responding to incidents, including when and how to engage with internal management, stakeholders and law enforcement; severe incidents are escalated to the highest levels of Walmart's management.

Read more: **Digital citizenship: Ethical use of data & responsible use of technology**



Digital Trust Commitments

Service: Our use of technology and data will be in service of people.

Excellence: We strive for excellence in our technology, making it simple, convenient and secure.

Integrity: We will use data responsibly and transparently and always with integrity.

Respect: Our data practices and technology will treat people fairly, with dignity and respect.

Human rights

We respect human rights and seek to use our scale, capabilities and influence to help people and communities improve their lives, with a focus on our salient human rights issues. Our Human Rights Statement serves as the foundation of our efforts by confirming our respect for human rights and articulating how our culture, values and international instruments inform our approach to human rights. In 2021, Walmart's Human Rights Working Group mapped our current policies and practices to the OECD Due Diligence Guidance for Responsible Business Conduct in order to enhance our approach to human rights.

Read more: **Human rights**

Salient human rights issues	Key aspects
Treating workers with respect	• Pay; working hours • Freedom of association and collective bargaining • Meaningful opportunities for workers to be heard
Promoting a safe & healthy work environment	• Physical safety and security of work premises • Workplace abuse • Healthy work environments
Providing a fair & inclusive work environment	• Anti-discrimination and harassment • Diversity and inclusion • Gender equity
Combating forced & underage labor	• Forced labor, including debt bondage • Underage labor • Vulnerability of migrant workers; responsible recruitment • Human trafficking

Endnotes

1. The calculation excludes the following associate types: Home office, pharmacists, on-site-clinics, drivers, management trainees and, temporary associates.

2. Annual scopes 1 and 2 GHG emissions and Carbon Intensities are updated from time to time for changes in emission factors or activity data when more accurate information become available. This may result in updated emissions reported in the ESG Climate Brief that may not correspond to results reported to CDP for our annual Climate Change questionnaire. We engage Lucideon CICS to independently verify Walmart's reported scope 1 and scope 2 emissions as reported to CDP annually, pursuant to ISO 14064-3 (the international standard for verification of Greenhouse Gas inventories). We follow Walmart's Greenhouse Gas Inventory Methodology, which is attached to our CDP disclosures. Our methodology is consistent with the principles and guidance of the World Resources Institute and the World Business Council for Sustainable Development's Greenhouse Gas Protocol Initiative ("The GHG Protocol") for corporate GHG accounting and reporting. scope 2 (market-based) emissions include the carbon reduction value of renewable electricity procured from onsite and offsite projects. The GHG Protocol outlines three emissions sources (referred to as "scopes") that provide the framework for operational boundaries. The three scopes are:

   - Scope 1, "Direct Emissions," represent emissions from the combustible fuels and other sources that occur directly on sites (e.g., refrigerants,) and mobile emissions sources.jj
   - Scope 2, "Indirect Emissions," represent emissions that occur off-site to produce electricity or steam purchased for use at corporate locations.
   - Scope 3, "Other Indirect Emissions," represents emissions from activities down or upstream from a company's core business such as product use, waste disposal, commuting and business travel.

3. On an adjusted basis between 2015 calendar year baseline and 2020, Walmart reduced its absolute scope 1 and 2 emissions by 15.6%, equivalent to 3.0 million metric tons of CO_2e. Adjustments may include the effects of acquisitions and divestitures for the period in which they had an effect.

4. Packaging metrics are measured in weight and based on supplier reports through a supplier survey. Proxy data were calculated to provide data for suppliers that did not complete the survey or provided unusable data. Proxy data are meant to represent an estimate of how much packaging those suppliers / markets may utilize to provide an overall picture of Walmart's entire packaging footprint. The calculation is based on supplier participation in the survey as a percentage of net sales and known packaging data. Walmart private brand suppliers representing 73% of Walmart global private brand net sales reported packaging data in 2019; in 2020 the figure was 78% and in 2021 the figure was 80%.

5. Walmart divested its business in Argentina in 2020 and its businesses in the U.K. and Japan in 2021. Because of the sale of Walmart's Argentina business in late 2020, we were unable to capture sufficient packaging data for the Argentina market; to represent this market's business in 2020, we used the 2018-2019 private brand packaging survey for Argentina. Walmart divested its businesses in the U.K. and Japan in early 2021; because the businesses were divested early in the year, we did not proxy packaging data for the time Walmart owned those businesses and the 2021 packaging figures represented here do not include the U.K. or Japan.

6. Calculation follows the 2021 Reporting Guidelines for The New Plastics Global Commitment and includes all private brand primary, secondary and tertiary plastic packaging, including single-use plastic and reusable plastic bags globally. For the time frame of the private brands packaging survey, we instructed suppliers to use their latest or most recent 12-month period for which they have data available. If they reported last year, use the same reporting period as the initial/prior reporting year to avoid gaps or overlap with the prior year's submissions. For suppliers that did not complete the survey or provided unusable data, proxy data was substituted to provide a full estimate of global private brand packaging. For the proxy calculation, a market level approach was used.

7. U.S. metrics include all 50 states but exclude Puerto Rico. U.S. management metrics include all salaried, exempt associates.

8. 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.

9. Calculated in accordance with Walmart's Project Gigaton Accounting Methodology, available on the Walmart Sustainability Hub. Suppliers submit information during a Project Gigaton™ reporting season; figures reported are for the reporting season that took place during the corresponding fiscal year. Because Walmart does not restrict suppliers to reporting only on emissions avoidance and reduction efforts that are attributable to the suppliers' business with Walmart, actions taken and reported through Project Gigaton™ cannot be used to measure Walmart's scope 3 emissions, either absolutely or in year-over-year reductions.

10. As of March 2022.

11. Board metrics presented correspond with information reported in Walmart's 2022 Annual Proxy Statement; director metrics are based on nominees for election at the Annual Shareholders' Meeting for each year.

12. Walmart measures its chemical footprint in terms of priority chemicals, or PCs based on supplier reports collected through UL WERCSmart for in-scope products sold. Walmart references regulatory and authoritative lists to determine priority chemicals. These lists can be found at https://www.walmartsustainabilityhub.com/sustainable-chemistry/implementation-guide/appendices. Our footprint covers in-scope formulated consumables products within beauty, personal care, baby, pet and household cleaning products sold by Walmart U.S. stores and Sam's Clubs in the U.S. In any given year, an increase or decrease in UPC volume weight disclosures may impact reporting. To learn about formulation disclosure, please visit Section 2: Transparency of our Sustainable Chemistry Implementation Guide.
13. As part of our FY2020 reporting cycle, we restated our baseline year chemical footprint combined for Walmart U.S. stores and Sam's Club U.S. locations 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 Universal Product Code (UPC) registrations in UL's WERCSmart. We updated the baseline to report the correct progress on our reduction goal. Suppliers provided product formulations to UL WERCSmart for 95% of in-scope UPCs.
14. Based on reports from Feeding America.
15. Eligibility requirements apply.
16. For those credited with 1,000 hours of service during their first year.
17. Age restrictions apply.
18. Including but not limited to equity awards and our Associate Stock Purchase Plan.
19. The calculation excludes the following associate types: Home office associates, pharmacists, on-site-clinics, drivers, management trainees and, temporary associates.
20. The calculation excludes the following associate types: Home office associates, pharmacists, on-site-clinics, drivers, management trainees and, temporary associates. Average total compensation includes average hourly pay, other compensation and benefits per hour for full- and part-time associates. This does not include special cash bonuses or paid leave related to COVID-19.
21. This segment includes the Walmart U.S. stores and supply chain.
22. This segment includes Sam's Club clubs and supply chain.
23. Supply chain includes associates who work in distribution and fulfillment centers but excludes drivers.
24. U.S. metrics include all 50 states but exclude Puerto Rico. Includes all hourly associates, excluding temporary associates and all salaried, exempt associates.
25. U.S. metrics include all 50 states but exclude Puerto Rico. U.S. non-management metrics include all hourly associates, excluding temporary associates. U.S. management metrics include all salaried, exempt associates. U.S. officer metrics include president, executive vice president, senior vice president and vice president positions.
26. 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.
27. Per Boston Consulting Group using data from the Economic Policy Institute and Bureau of Labor statistics.
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. See the Product Supply Chain Sustainability issue brief for a full list of sustainable commodities and accompanying notes.
30. Certifications tracked on the FishChoice platform, FisheryProgress.org. Publicly registered FIPs include FIPs and Pre-FIPs, both of which are registered with Fishsource. Suppliers were asked to report through the Seafood Metrics System the total volume of the fresh and frozen, wild-caught and farmed, seafood shipped in FY2022 and the volume of that seafood that met Walmart's requirements (certified by a designated program or in a FIP or AIP). Suppliers representing approximately 100% of Walmart U.S., 100% of Sam's Club U.S. and 45% of Mexico volume of fresh and frozen, wild-caught and farmed, seafood shipped in FY2022 responded. Reported volumes were validated against Sustainable Fisheries Partnership records and Walmart business data showing supplier shipments. Central America reporting is based on reports from suppliers representing 100% of Walmart Central America fresh and frozen, wild-caught and farmed seafood in CY2021.
31. Goal subject to price, availability, quality, customer demand and unique regulatory environments across our global retail markets. Read the full policy: https://corporate.walmart.com/policies#seafood-policy. Certifications tracked on the FishChoice platform, FisheryProgress.org. Publicly registered FIPs include FIPs and Pre-FIPs, both of which are registered with Fishsource. Sustainably sourced means certified by a designated program or in a FIP. Tuna suppliers were asked to report through the Seafood Metrics System the total volume of tuna shipped to Walmart in FY2022 and the volume of that product that met Walmart's seafood policy requirements (certified by a designated program or in a FIP). Suppliers representing 100% of Walmart U.S. and Sam's Club U.S. volume in FY2022 responded. Reported volumes were validated against Sustainable Fisheries Partnership records and Walmart business data showing supplier shipments. Walmart U.S. figures are for private brand and national brand tuna and cover all shelf-stable tuna (includes canned and pouched).
32. Certifications: UTZ-Rainforest Alliance and/or Fair Trade USA.
33. Certifications include Rainforest Alliance, Sustainably Grown and Fair Trade USA. Goal originally included Asda, Walmart's U.K. business. Walmart divested its retail operations in the U.K. in February 2021. Going forward, we will no longer disclose progress for our divested operations. Percentages are based on volume of bananas sourced under an annual alignment. Spot buy volume due to sporadic increase of demand or rejections or delay of shipping to ensure surety of supply is not included. Spot buys may or may not be sustainability certified.

34. Certifications include Rainforest Alliance, Sustainably Grown and Fair Trade USA. Goal originally included Asda, Walmart's U.K. business. Walmart divested its retail operations in the U.K. in February 2021. Going forward, we will no longer disclose progress for our divested operations. Percentages are based on volume of pineapples sourced under an annual alignment. Spot buy volume due to sporadic increase of demand or rejections or delay of shipping to ensure surety of supply is not included. Spot buys may or may not be sustainability certified.

35. Certification in accordance with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) segregated supply chain systems, or equivalent standards. Suppliers supplying Walmart private brand products in departments most likely to contain palm oil were identified and encouraged to participate in Walmart's palm oil survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing palm oil, suppliers representing 92% of the relevant business responded. The percentage of supplier-reported palm oil volumes in Walmart private brand products certified as sustainable is the quotient of the volume of certified palm oil divided by total volume of palm oil, per the supplier survey responses. In addition to 10% certified segregated/equivalent palm oil, 80% of reported palm oil was certified under a mass balance standard.

36. Certified by the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI). Suppliers supplying Walmart private brand products in departments most likely to contain pulp and paper were identified and encouraged to participate in Walmart's pulp and paper survey. Excluding suppliers who responded to the survey and stated that they do not supply Walmart with products containing pulp and paper, suppliers representing 89% of the relevant business responded. The percentage of supplier-reported pulp and paper volumes in Walmart private brand products certified as sustainable or containing recycled content is the quotient of the volume of certified or recycled pulp and paper divided by total volume of pulp and paper, per the supplier survey responses.

37. See notes 2 and 3 above. We divested our retail operations in Argentina late in 2020 and U.K. and Japan in February and March of 2021, respectively. As a result, we estimated some of our scope 1 and 2 emissions for the calendar year 2020 reporting for our Argentina, U.K. and Japan operations.

38. Carbon intensity (scope 1 and 2 per revenue) calculation is based on calendar year emissions (January 1-December 31) and normalized by total annual revenues as measured by Walmart's fiscal year (February 1-January 31).

39. See notes 2 and 3 above.

40. See note 2 above. Calculated in accordance with Walmart's Project Gigaton Accounting Methodology, available on the Walmart Sustainability Hub. Suppliers submit information during a Project Gigaton™ reporting season; figures reported are for the reporting season that took place during the corresponding fiscal year. Because Walmart does not restrict suppliers to reporting only on emissions avoidance and reduction efforts that are attributable to the suppliers' business with Walmart, actions taken and reported through Project Gigaton™ cannot be used to measure Walmart's scope 3 emissions, either absolutely or in year-over-year reductions. The U.S. net sales figure used for the calculation includes Walmart U.S. and Sam's Club product net sales for the 52-week period prior to survey reporting window. The percentage represents U.S. product net sales of suppliers that reported to Project Gigaton™ in the reporting year versus all U.S. product net sales. The calculation excludes Walmart International segment product net sales from the calculation.

41. As used in this document, "zero waste" means 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. 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.).

42. In general, waste metrics are based on review of material handling, 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.

43. Walmart U.S. figure is food and consumables private brand supplier-reported sales with How2Recycle labeling on primary packaging; Sam's Club is for all private brand supplier-reported sales. Primary packaging is packaging that goes home with the consumer. This percentage excludes the net sales of private brand items that do not use primary packaging. For the time frame for the private brands packaging survey, we instructed suppliers to use their latest or most recent 12-month period for which they have data available. If they reported last year, use the same reporting period as the initial/prior reporting year to avoid gaps or overlap with the prior year's submissions.

44. Calculations include all private brand plastic packaging and single-use plastic and reusable bags globally. For the time frame of the private brands packaging survey, we instructed suppliers to use their latest or most recent 12-month period for which they have data available. If they reported last year, use the same reporting period as the initial/prior reporting year to avoid gaps or overlap with the prior year's submissions. "Global" refers to all of our global retail businesses.

45. See note 6 above.

46. Walmart's operational food waste reduction goal is aligned with Target 12.3 of the United Nations Sustainable Development Goal (SDG). Progress towards food loss and waste reduction goal measured in conformance with the Food Loss and Waste Protocol's Food Loss and Waste Accounting Standard (FLW Standard) for quantifying food and/or associated inedible parts removed from the food supply chain. This figure is based on review of material handling and waste diversion processes, 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. The 2016 baseline was adjusted to remove markets (Argentina, Japan, U.K.) that have since been divested; reported reduction is vs. this adjusted baseline.

47. See note 6 above. Previously, the 2020 percentage was reported as 59%; during our 2021 quality assurance review for our 2020 comparative period, we found 4 suppliers with reporting errors that affected our prior year reporting.

48. See note 44 above. Previously, the 2020 percentage was reported as 9%; during our 2021 quality assurance review for our 2020 comparative period, we found 4 suppliers with reporting errors that affected our prior year reporting.

49. See note 43 above.

50. Based on RBA membership (regular or full category) or implementing the RBA Validated Assessment Program for each disclosed facility.

51. Amount provided by Walmart in local cash grants to organizations and programs that serve communities near our stores, clubs and distribution centers in the U.S.

52. Based on reports from Feeding America.

53. As a practical matter the Great for You is typically found on qualifying packaged items, as opposed to individual qualifying fresh produce items. Excluding qualified fresh produce items, as of May 3, 2022, approximately 11% of active food and consumable items in the Great Value, Marketside and Parent's Choice private brands carry the Great for You Icon.

54. In FY2021 we reported that more than 290,000 associates were trained in at least one food safety course. In FY2022 we reported that more than 980,000 associates globally were trained in at least one food safety course. The FY2022 number is higher due to but not limited to the following changes: FY2022 we offered more food safety training courses; training was disproportionately impacted in FY2021 by the COVID-19 pandemic; FY2022 includes all associates where FY2021 was U.S. based associates only; and in FY2022 we included the count of associates trained who subsequent to the completion of the training, left the company.

55. Walmart measures its chemical footprint in terms of priority chemicals, or PCs based on supplier reports collected through UL WERCSmart for in-scope products sold. Walmart references regulatory and authoritative lists to determine priority chemicals. These lists can be found at https://www.walmartsustainabilityhub.com/sustainable-chemistry/implementation-guide/appendices. Our footprint covers in-scope formulated consumables products within beauty, personal care, baby, pet and household cleaning products sold by Walmart U.S. stores and Sam's Clubs in the U.S. In any given year, an increase or decrease in UPC volume weight disclosures may impact reporting. To learn about formulation disclosure, please visit Section 2: Transparency of our Sustainable Chemistry Implementation Guide.

56. Our baseline year chemical footprint combined for Walmart U.S. stores and Sam's Club U.S. locations 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 Universal Product Code (UPC) registrations in UL's WERCSmart. We updated the baseline to report the correct progress on our reduction goal. Suppliers provided product formulations to UL WERCSmart for 95% of in-scope UPCs.

57. According to NOAA: https://www.climate.gov/news-features/blogs/beyond-data/2021-us-billion-dollar-weather-and-climate-disasters-historical#:~:text=In%202021%2C%20th%20e%20U.S.%20experienced,billion%2Ddollar%20events%20in%202020.

58. See note 11 above.

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