Walmart

Environmental, Social, and Governance Highlights

FY2023

Contents

INTRODUCTION

4 Leadership Letters

6 Awards & Recognition

7 Our Company

8 Our Approach to ESG

OPPORTUNITY

11 Opportunity Highlights

12 Human Capital: Good Jobs & Advancement for Associates

13 Human Capital Spotlight

14 Equity & Inclusion at Walmart & Beyond

15 Supplier Opportunity

SUSTAINABILITY

17 Sustainability Highlights

18 Product Supply Chain Sustainability

19 Climate Change

20 Climate Change Spotlight

21 Regeneration of Natural Resources: Forests, Land, Oceans

22 Waste: Circular Economy

23 People in Supply Chains

COMMUNITY

25 Community Highlights

26 Serving Communities

27 Safer, Healthier Food & Other Products

28 Disaster Preparedness & Response

29 Disaster Preparedness & Response Spotlight

ETHICS & INTEGRITY

31 Ethics & Integrity Highlights

32 Ethics & Compliance

33 Corporate Governance

34 Engagement in Public Policy

35 Digital Citizenship: Ethical Use of Data & Responsible Use of Technology

36 Digital Citizenship Spotlight

37 Human Rights

APPENDIX

39 About Our Reporting

40 Forward-Looking Statements

41 Endnotes

ESG REPORTING SOURCES

ESG Issue Briefs →

ESG Reporting Data →

Introduction

LEADERSHIP LETTERS

A Message from our Chief Executive Officer

It was Sam Walton's purpose to help people live better lives. He wanted to help them save money so they could invest in their families and their communities. He wanted to help people build something meaningful and worthwhile and to live a better life. He wanted to leave things better than he'd found them. That's the legacy he left our company, and we remain committed to being a force for good in the communities we serve, all over the world. For Walmart, this means actively addressing the environmental and societal issues most relevant to our business and stakeholders, and we win when our customers, associates, suppliers, communities, and planet are better off because of Walmart.

In our 61 years, we've shown that we're capable of big things. We've embraced change and innovation while staying true to our roots, and we've grown and expanded without forgetting our purpose. We're a people-led, tech-powered omni-channel retailer dedicated to helping people save money and live better, and we're still built upon our original foundation of timeless values.

Throughout our **ESG Issue Briefs** and these ESG Highlights, you'll see the ways our commitments build on this foundation. We've focused on four themes that guide our action: Opportunity, Sustainability, Community, and Ethics & Integrity. And at Walmart, we're doing more than simply managing risks in these areas. Managing risk isn't enough. We have to think differently, and we have to do more. We have adopted a mindset that prioritizes outcomes for business and society — and a regenerative ambition. I'm proud of the ways our team is bringing these principles to life across our business. We're giving back, and we're following Sam's example: we're leaving things better than we found them.

At the same time, we're mindful that none of this would be possible without our associates taking action and bringing these goals to life. We're grateful for our associates' hard work and positive mindsets, their flexibility and their resilience, and it's important to Walmart that we create opportunities and invest in the people who have invested in our mission. We want to build careers, not just jobs. In the U.S. alone, about 75% of salaried store, club, and supply chain management started their careers as hourly associates. And Live Better U now allows associates to choose from more than 70 programs in areas like business management and data analytics. Walmart pays for 100% of the tuition and books. These are just a couple of examples of our commitment to helping our associates live better lives, too.

We're also making progress toward our environmental goals around the world. In partnership with our suppliers, we've made supply chains healthier by embedding regenerative practices and reducing carbon emissions, and we're especially proud that Walmart is now three-quarters of the way toward reaching our Project Gigaton goal of reducing or avoiding one billion metric tons of greenhouse gases by 2030.

Together, we're working every day to help people live better lives, both locally and globally. That's the promise we make to our stakeholders. We're committed to this mission, and we believe that our success depends upon keeping this promise. And I believe we can do it. We are doing it. And by working together there's no limit to what we can accomplish.

Doug McMillon

President and CEO
Walmart Inc.

LEADERSHIP LETTERS

A Message from our Chief Sustainability Officer

Walmart has grown from humble roots with the enduring purpose of helping people save money and live better.

As a people-led, tech-powered omni-channel retailer, we want to help people live better not only through our customer proposition but in the way we deliver it, by:

- **Creating opportunity:** Being an employer of choice, where all associates feel they belong, can gain skills, and can advance through career paths ranging from retail management to health care to tech.
- **Enhancing sustainability:** Operating efficiently, effectively, and sustainably in service of the customer and communities; building a resilient product supply chain that helps create prosperity for people while sustaining and restoring our planet.
- **Strengthening community:** Providing access to everyday goods and services as well as good jobs, tax revenue, and philanthropic support for community needs.
- **Upholding the highest standards of ethics and integrity:** Being the most trusted retailer so our stakeholders choose us every time.

Our environmental, social, and governance efforts center on the themes of opportunity, sustainability, community, and ethics and integrity. Our efforts create shareholder value by creating value for our stakeholders — our customers, associates, suppliers, business partners, community partners, and even the planet (because as a retailer, our commodity sourcing, facilities, and customer communities depend on healthy ecosystems and climate). We believe that when Walmart creates value for stakeholders, we strengthen our business and deliver value to our shareholders, which allows us to invest in the capabilities to serve our stakeholders even better… propelling a virtuous cycle of shared value. We aim to become a regenerative company — one that not only sustains but strengthens the people and the world around us.

Recent examples illustrate our approach:

Investing in our associates: We have raised minimum starting wages over 90% and average hourly wages 54% since 2015 through improvements in jobs and career paths, including changes based on direct engagement, dialogue, and feedback from associates. Walmart associates have also helped shape and introduce additional benefits, such as extended parental leave, adoption benefits, and expanded vision care benefits. Our on-the-job training and programs such as Walmart Academy provide opportunities for associates to grow their skills and careers; indeed approximately 88% of Walmart U.S. store roles above entry level were filled internally in FY2023. Such investments help us to attract, develop, and retain the top talent needed to continue bringing our purpose to life.

Rewiring our business for a low-carbon future: We are committed to achieving our science-based targets; last year we achieved a cumulative 23% reduction in GHG emissions from our own operations relative to our 2015 baseline year and have progressed toward our goal of being powered by 100% renewable energy. We continue to take meaningful action to decarbonize product value chains; through Project Gigaton, Walmart suppliers report having reduced or avoided over 750 million metric tons of emissions since 2017. As electric vehicle (EV) ownership grows, we are building our own EV fast-charging network at thousands of Walmart and Sam's Club locations coast to coast to create a convenient, reliable, and affordable charging option for customers. We believe our leadership on energy and emissions in the coming decade can create value for our business and stakeholders.

We invite you to read our FY2023 ESG Highlights and the accompanying **ESG Issue Briefs** to learn more about how we continue to strengthen our business by creating value for our stakeholders.

Kathleen McLaughlin

EVP and Chief Sustainability Officer
Walmart Inc.

Awards & Recognition

#3

Fortune Change the World

Listed on the **2023 Bloomberg Gender Equality Index**

One of America's Top Corporations for Women's Business Enterprises — from the Women's Business Enterprise National Council

#17

2023 DiversityInc Top 50 Companies for Diversity

#1

retailer in the **EPA's Green Power Partnership rankings**

100%

2022 Disability Equality Index

For seventh consecutive year

#1

in **National Truck Safety** by the American Trucking Association

For eighth consecutive year

100% on the **2022 Human Rights Campaign's Corporate Equality Index**

Great Place to Work Certified Walmart Inc. and Sam's Club (2023)

Our Company

Walmart is a people-led, tech-powered omni-channel retailer dedicated to helping people save money and live better — anytime and anywhere — by providing the opportunity to shop in both retail stores and through eCommerce, and to access our other service offerings. Through innovation, we strive to continuously improve a customer-centric experience that seamlessly integrates our eCommerce and retail stores in an omni-channel offering that saves time for our customers.

Our strategy is to bring our purpose to life, which means making every day easier for busy families, operating with discipline, sharpening our culture, becoming more digital, and making trust a competitive advantage. We are committed to doing this in a way that is regenerative — helping to renew people and the planet through our business.

OUR BUSINESS IN FY2023

Omni-channel retailer serving approximately 240 million customers per week

~2.1 million associates

10,500 stores and eCommerce websites in 20 countries

$611 billion in revenue

OUR VALUES

Respect for the Individual

Service to the Customer

Strive for Excellence

Act with Integrity

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 and 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 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: our customers, associates, suppliers, business partners, communities, and even the planet.

Addressing such societal needs builds the value of our business and as business strengthens society, society strengthens business.

We aspire to become a regenerative company — helping to renew people and the planet through our business. Each of our ESG priority issue areas offers a discrete shared value proposition: an opportunity to meet a societal need through our business. Doing so aligns our business objectives with societal objectives and increases our ability to create value for the long term.

Read more: Our ESG Priorities

Management of ESG

Leadership of ESG issues starts with our CEO — with oversight from our Board of Directors — and cascades across our enterprise.

The Board's Nominating & Governance Committee (NGC) exercises oversight over Walmart's overall ESG strategy and certain priority issues, while other Board committees retain oversight over specific ESG issues.

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 provides updates to the Walmart executive leadership team and NGC.

We have additional governance bodies at the management level, including the ESG Steering Committee and the ESG Disclosure Committee that help guide ESG strategy and disclosure.

Read more: ESG Oversight and Management and Corporate Governance ESG Brief

OUR APPROACH TO ESG

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.

For each priority ESG issue, our disclosures aim to:

- Articulate the relevance of the issue for societyand Walmart's business
- Reflect an understanding of stakeholder expectations
- Share our aspirations, goals, and strategies to create shared value
- Describe our progress, opportunities, and challenges

Read more: Our ESG Priorities

Opportunity

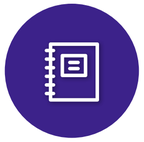
- Good jobs and advancement for associates
- Equity and inclusion at Walmart and beyond
- Growth for suppliers, sellers, and local economies

Sustainability

- Climate and renewable energy leadership
- Zero waste in operations, products, and packaging
- Regeneration of natural resources: forests, land, and oceans

Community

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



Ethics & Integrity

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

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 product supply chain, and local communities to fulfill our customer mission, strengthen our business, and help people build a better life for themselves and their families.

RELATED ESG ISSUE BRIEFS:

- Human Capital: Good Jobs & Advancement for Associates →
- Equity & Inclusion at Walmart & Beyond →
- Supplier Opportunity →

Opportunity Highlights

$21.75

U.S. associate average total hourly compensation[1]

68%

full-time U.S. hourly associates[2]

37%

of U.S. officers are **women**

28%

of U.S. officers are **people of color**

>34,000

ASSOCIATES

enrolled in **Live Better U**

>180,000

U.S. ASSOCIATES[3]

received promotions; **88% of roles**[4] above entry level filled internally

$47

BILLION

cumulative total purchases supporting American jobs

(2021 through FY2023)

>$13

BILLION

sourced from **~2,400 diverse** suppliers[5] to U.S. businesses

Human Capital: Good Jobs & Advancement for Associates

Our aspiration: making retail a place of inclusive and equitable opportunity where people can gain skills and experience to advance their careers

STRATEGY

- Make Walmart a place for everyone where associates know they are listened to, valued, engaged, and supported
- Prioritize the financial, physical, and emotional well-being of associates
- Provide opportunities for all associates to learn and grow in their careers
- Drive a digital transformation that improves the associate experience
- Strengthen the U.S. frontline workforce development system in retail and related sectors

FY2023 HIGHLIGHTS

- Continued investment in wages (+54% in the average hourly wage since 2015) and benefits, increasing average total compensation to >$21.75/hour, and enhancing parental leave and family-building benefits
- Enhanced engagement capabilities, including through digital Engagement Pulse Surveys and the MyFeedback portal
- Connected U.S. frontline associates to career paths, with 88%[6] of roles above entry level filled internally and >180,000 promotions[7]

Associate Listening and Feedback

As Walmart associates, engaging and listening to each other has been core to our culture since our founding more than 60 years ago. As the world becomes more digital, it creates additional opportunities to solicit feedback from and respond to each other. In FY2023, Walmart U.S. introduced the Engagement Pulse Survey, a monthly survey administered to over one million Walmart U.S. frontline associates via the Me@Walmart app that helps leaders improve engagement, retention, and the overall associate experience. Additionally, our Associate Engagement Survey now provides the opportunity to submit open-text feedback, and more than 500,000 associates did so during our 2022 survey. U.S.-based associates can also utilize the MyFeedback Portal, which was designed and launched as a digital, intuitive, self-service site. Hundreds of associates utilize this channel each month. Feedback results are provided to leaders to create action plans and inform enhancements to our overall associate value proposition and ways of working. In FY2023, for example, benefits, training, and education enhancements were made because of associate feedback.

AVERAGE HOURLY WAGE AND TOTAL COMPENSATION (END OF FY2023)[8]

ASSOCIATE POPULATION	AVG STARTING WAGE[9]	AVG HOURLY WAGE	AVG TOTAL HOURLY COMPENSATION[10]
Walmart U.S. segment[11]	>$15.25	>$17.00	>$21.50
Sam's Club U.S. segment[12]	>$16.25	>$17.50	>$22.25
U.S. supply chain associates (Walmart U.S. and Sam's Club U.S.)[13]	>$23.25	>$25.50	>$33.50

See our **Human Capital ESG brief** for more information

HUMAN CAPITAL SPOTLIGHT

Career Growth Through Live Better U

Jarryn Robertson joined Walmart in 2009 as a part-time cash office associate at Store 1196 in New Roads, Louisiana, before transferring to work in asset protection in a supercenter and then a distribution center. Prior to working at Walmart, she'd wanted to get a college degree and had taken classes on and off after high school but never finished. Time, money, and a lack of direction had gotten in the way. In 2018 she heard about a new program Walmart was launching — Live Better U. She took advantage of the new, exciting opportunity and enrolled at Bellevue University, ultimately graduating with a business degree in December 2021.

Shortly after graduating, Jarryn learned about the Home Office Pathway Experience, a new program designed to connect frontline associates who are recent or soon-to-be college graduates with Home Office roles.

Once Jarryn was accepted into the Home Office Pathway Experience program in early 2022, she worked hard to show her skills and determination through rotations with several Home Office teams. Her hard work paid off: Jarryn was offered — and accepted — a job as a project analyst on the Non-Traditional Talent Pathways Team at the Home Office in Bentonville, Arkansas.

LIVE BETTER U

"When I received the job offer, I started to cry," she recalls. "All of my dreams were coming true. I was ready for the next step of my career."

Jarryn's story is just one of the thousands of stories of associates who have completed Live Better U programs, opening up new pathways to career progression and promotion at Walmart. The education and skills gained through Live Better U have propelled many associates to grow their careers at Walmart.

> "All of my dreams were coming true. I was ready for the next step of my career."
>
> — JARRYN ROBERTSON, PROJECT ANALYST

Equity & Inclusion at Walmart & Beyond

Our aspiration: to advance equity and inclusion in our business, with our suppliers and business partners, and in the communities we serve

STRATEGY

- Create a culture of belonging, where all associates feel accepted and valued for their unique identities and skills
- Promote inclusion through our sourcing of products, services, and goods not for resale; marketing; and business relationships
- Advance equity and inclusion in society through business initiatives and complementary philanthropy

FY2023 HIGHLIGHTS

- Diversified recruiting and talent pools, including our frontline hourly associate base and strategic partnerships with HBCUs; people of color represent 41% of management (vs. 39% in FY2022)
- Worked with more than 200 diverse creators and brands in marketing and sourced more than $13 billion from diverse suppliers
- Granted $58 million towards our $100 million Center for Racial Equity commitment to address disparities in the U.S. criminal justice, education, finance, and health systems, with an additional $7 million contributed towards racial solidarity efforts

Belonging at Walmart

Walmart's diversity, equity, and inclusion efforts focus on creating a culture of belonging, where people can bring their best selves to work — and we can attract and retain talent to serve our customer well.

Our efforts include removing barriers to hiring and advancement; training and education; associate resource groups; and robust oversight and reporting.

This year, we began seeking to measure a sense of belonging through our Associate Engagement Survey. We also hired our first Chief Belonging Officer — an evolution of the Chief Diversity Officer role — in early FY2024.

SELECT U.S. REPRESENTATION DATA[14]

ASSOCIATE POPULATION	WOMEN	PEOPLE OF COLOR
U.S. workforce	52%	49%
U.S. management	44%	41%
U.S. officers	37%	28%
U.S. total management promotions earned	40%	43%
U.S. hourly-to-hourly promotions earned	54%	50%

See our **Equity & Inclusion ESG brief** for more information

Supplier Opportunity

Our aspiration: we aim to create economic opportunities for our suppliers, the people they employ, and their communities

STRATEGY

- Support the creation of American jobs by increasing our sourcing of products made, grown, or assembled in the U.S.
- Source from and build capacity of diverse suppliers
- Promote the production of goods in India for export
- Support smallholder farmers and small producers through sourcing and capacity building

FY2023 HIGHLIGHTS

- Spent an incremental $47 billion on products supporting American jobs (2021 through end of FY2023)
- Sourced more than $13 billion from ~2,400 diverse suppliers to our U.S. businesses
- Invested >$39 million grants in smallholder capacity building in India[15] and progressed against a commitment made to triple exports of goods from India to $10 billion by 2027

Supporting American Manufacturing

Walmart has long supported American manufacturing and the creation of jobs in the U.S., completing a commitment to purchase an incremental $250 billion in products made, grown, or assembled in the U.S. in FY2023.

Anticipating the successful completion of this commitment, Walmart renewed its commitment in 2021 and expanded its incremental spend goal to $350 billion over ten years.

As of the end of FY2023, Walmart has already purchased an incremental $47 billion towards that new goal. Our sourcing can have a profound impact on local communities: we expect our new commitment to catalyze the creation of more than 750,000 new jobs across the U.S.

As just one example, longtime Walmart Supplier Classic Fashion announced a new California cut-and-sew apparel facility in October 2022, which is expected to create 125 jobs by 2023 and an additional 225 jobs over five years.

See our **Supplier Opportunity ESG brief** for more information

Sustainability

Walmart seeks to transform our business and product supply chains to be regenerative — optimizing outcomes for climate, waste, nature, and people as we serve our customers and grow our business.

RELATED ESG ISSUE BRIEFS:

- Product Supply Chain Sustainability →
- Climate Change →
- Regeneration of Natural Resources: Forests, Land, Oceans →
- Waste: Circular Economy →
- People in Supply Chains →

Sustainability Highlights

>750
MILLION MT CO_2e

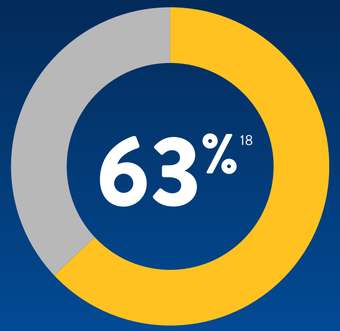
reduced or avoided by suppliers since 2017[16]

23.2%

reduction in **combined Scope 1 & 2 emissions vs. 2015 baseline**[17] (through 2021)

>2 MILLION ACRES OF LAND

conserved through Acres for America since 2005



of global private-brand packaging is **recyclable, reusable, or industrially compostable,** a **5% increase** over FY2022

>400
SUPPLIERS

set goals and/or **reported progress** on responsible recruitment through Walmart's Supplier Leadership Program on People

Product Supply Chain Sustainability

Our aspiration: accelerate progress on the sustainability of our own assortment and product supply chains across the retail and consumer goods industry

STRATEGY

- Set standards and requirements for product sourcing
- Engage and support suppliers to pursue social and environmental initiatives
- Lead consortia to accelerate collective action beyond Walmart
- Help customers make informed choices through labeling and cause campaigns
- Advocate for public policies that align with sustainable supply chain priorities
- Accelerate systems change beyond Walmart through philanthropic investments

FY2023 HIGHLIGHTS

- Achieved at least 95% "more sustainable" certification for several commodities, including fresh and frozen seafood,[19] bananas,[20] coffee,[21] and tea[22]
- Offered products that meet trusted standards for personal well-being, our communities and the environment through the **Built for Better** online shop
- Relaunched Member's Mark brand — **"Made with Our Member and Planet in Mind"**
- Made steady progress across food, apparel, consumables, and general merchandise across climate, waste, nature, and people strategies

20x2025 SUSTAINABLE COMMODITIES

In 2016, Walmart announced "20x25": a goal to source at least 20 agricultural commodities more sustainably by 2025. Since then, we have been working on the following:

Floral & Produce
Fresh flowers, apples, bananas, berries, grapes, leafy greens, pineapples, stone fruit, and tomatoes

Specialty Crops
Cocoa, coffee, and tea

Textile, Pulp, Paper & Timber
Cotton textiles, pulp, paper, and timber

Ingredients
U.S. corn, U.S. wheat, U.S. soy, South American soy, and palm oil

Proteins
Seafood (wild caught and farm raised), meat (South American beef, U.S. beef, pork, and poultry), and dairy

Our approach to more sustainably sourcing these commodities

- Encouraging our suppliers to adopt more sustainable sourcing practices, including through product specifications and sourcing policies, as well as positions and policy statements
- Revamping sourcing specifications and requiring certifications where available and aligned with our aspirations
- Collaborating with suppliers, other retailers, NGOs, and others to improve practices across the sector
- Asking suppliers to measure and report against progress
- Supporting place-based sourcing in critical ecosystems
- Measuring and reporting transparently

See our **Product Supply Chain Sustainability ESG brief** for more information

Climate Change

Our aspiration: we aim to galvanize collective action across the retail and consumer goods sector through advocacy, supplier engagement, philanthropy, and innovation in product supply chain practices while taking steps to strengthen the resilience of our business against the effects of climate change

STRATEGY

- Govern our climate strategy through accountable leadership and assess climate risk
- Mitigate emissions to achieve targets, covering our global operations (achieve zero emissions by 2040) and supply chain (reduce, avoid, or sequester 1 billion metric tons of emissions through Project Gigaton)
- Adapt our business to be more resilient in the face of climate risk
- Advocate for 1.5°C aligned public policy
- Report transparently on our progress and encourage suppliers to take action

FY2023 HIGHLIGHTS

- Decreased our combined Scope 1 and 2 emissions[23] by 23.2% (through 2021)
- Increased percentage of electricity supplied by renewable sources to 46% (through 2021)[24]
- Increased supplier participation in Project Gigaton to ~75% of U.S. product net sales[25]
- Achieved >750MMT CO_2e reduced, avoided, or sequestered through Project Gigaton[26]
- Advocated for climate-related policy in line with our **Statement on Climate Policy** including supporting the climate provisions of the Inflation Reduction Act

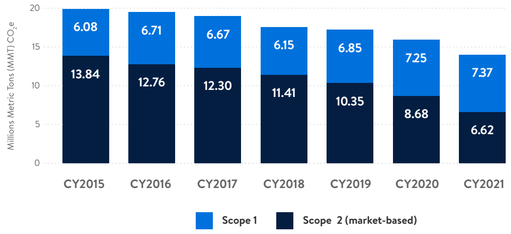
See our **Climate Change ESG brief** for more information

EV Fast Charging Network

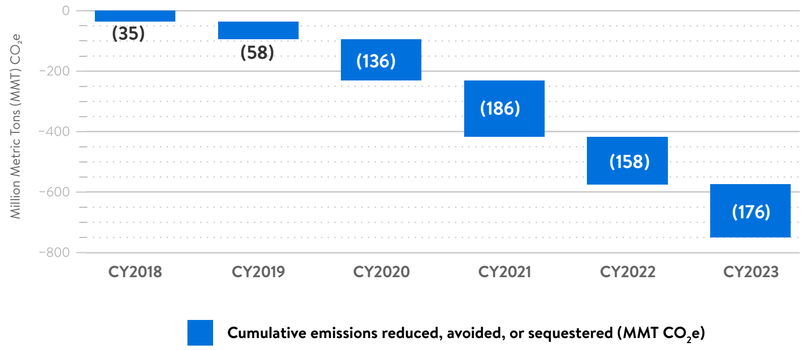
We are investing in clean energy infrastructure in the U.S. to make electric vehicle (EV) ownership more accessible, reliable, convenient, and affordable for our customers. By 2030, we intend to build out our EV fast-charging network to at least 10,000 chargers across 2,500+ Walmart and Sam's Club locations in the U.S., expanding on the EV fast-charging stations that are already available at over 280 locations across the U.S.

ANNUAL GHG EMISSIONS

Walmart's Progress on Operational Emissions (Scope 1 and 2)[27]



PROJECT GIGATON: >750 MMT CO_2e REDUCED TO DATE[28]



CLIMATE CHANGE SPOTLIGHT

Project Gigaton: Transforming Supply Chains

Walmart launched Project Gigaton in 2017 as an ambitious initiative to catalyze decarbonization in product value chains through engagement of suppliers, NGOs, and other stakeholders. Our goal: to democratize climate action and help reduce or avoid one billion metric tons (a "gigaton") of greenhouse gas emissions by 2030. Through Project Gigaton, we encourage suppliers to take action in six action areas that are key to decarbonization and relevant to our suppliers' businesses.

Over the past six years, we have expanded and deepened our work by adding new tools, resources, and other opportunities for suppliers to accelerate engagement and impact. For example, as part of Project Gigaton, Walmart collaborated with Schneider Electric to provide access to accelerators like Gigaton PPA, which offers suppliers the opportunity to participate in aggregate, utility-scale power purchase agreements. We also worked with CDP and HSBC to launch the Sustainable Supply Chain Finance Program, an early-payment program for suppliers who set science-based targets through Project Gigaton or have achieved certain score thresholds from CDP. As Project Gigaton continues to make progress across areas of the supply chain critical to decarbonization, Walmart is focused on increasing supplier engagement and ambition and catalyzing positive action.

PROJECT GIGATON PILLARS

Energy
- Gigaton PPA
- Tools and playbooks

Packaging
- Forums and summits
- Sustainable packaging playbook

Nature
- Forums and summits
- Place-based initiative connectors

Transportation
- Collaborating on public policy
- Sharing resources

Waste
- 10x20x30 initiative
- Investing in technical assistance

Product Use & Design
- Investing in technical assistance
- Golden design rules

>750 MILLION MT CO_2e

reduced or avoided by suppliers since 2017[29]

>5,200 SUPPLIERS

signed up for Project Gigaton

Regeneration of Natural Resources: Forests, Land, Oceans

Our aspiration: to place nature in the center of our business practices, including by protecting, more sustainably managing, or restoring at least 50 million acres of land and 1 million square miles of ocean by 2030

STRATEGY

- Govern our nature strategy through accountable leadership
- Identify nature-related dependencies, impacts, risks, and opportunities
- Foster more sustainable production of commodities
- Transition our operations toward regenerative practices
- Support conservation and restoration of critical ecosystems
- Encourage the development of place-based initiatives
- Advocate for and invest in enablers of systemic change

FY2023 HIGHLIGHTS

- Engaged through business or philanthropy in efforts to protect, more sustainably manage, or restore >30 million acres of land and >1.4 million square miles of ocean
- Pursued seven place-based commodity sourcing initiatives (e.g., rice, tuna)
- Launched a nature portal to connect suppliers to information regarding place-based commodity sourcing and conservation opportunities
- Reached a milestone of over two million acres conserved through the Acres for America program since 2005

See our **Regeneration of Natural Resources ESG brief** for more information

Place-Based Sourcing

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. For example, we partnered with The Nature Conservancy and the government of the Republic of the Marshall Islands to source tuna certified to Marine Stewardship Council standards for our Great Value brand. The initiative aspires to distribute at least 40% of net income to directly support community-based conservation and climate resilience projects including the development and management of Marine Protected Areas and coral reef restoration. We also collaborate with Indigo Ag to source Great Value rice from a place-based initiative in Arkansas. Rice farmers enrolled in the project implement on-farm practices that are intended to improve water and land stewardship, including crop rotation from legumes, fertilizer management, zero-grade rice production, multiple-inlet irrigation with computerized holes election, and furrow irrigation.

Waste: Circular Economy

Our aspiration: to achieve zero waste in our global operations and accelerate the adoption of innovative packaging and products designed for circularity

STRATEGY

- Achieve zero operational waste
- Eliminate food waste
- Optimize packaging and encourage customer recycling
- Reduce plastic waste
- Engage customers in the circular economy
- Invest in local infrastructure to address systemic issues around waste management

FY2023 HIGHLIGHTS

- Reduced food waste 12% (vs. 2016 baseline); diverted >900M lbs. of food waste to composting, animal feed, anaerobic digestion, and biochemical processing; and donated >760M lbs. of food globally[30]
- 63% of global private brand packaging was recyclable, reusable, or industrially compostable[31]
- Eliminated free plastic bags at checkout in Mexico, Canada, and more than 420 Walmart stores in the U.S.
- Launched **Walmart Restored,** an online marketplace where customers can buy refurbished products
- Diverted 78% of operational waste globally, including 89% in Canada, 80% in Mexico, and 78% in the U.S.[32]

Circular Connector

In 2022 we launched our **Circular Connector,** designed to help connect innovative packaging companies to our private brand merchants and suppliers.

Packaging companies submit their packaging solutions through the Connector on the **Walmart Sustainability Hub**; Walmart teams assess the fit with private brand packaging goals. To date, the Connector has gathered over 200 more sustainable packaging solutions and made more than 4,000 connections between packaging providers and private brand suppliers.

See our **Waste: Circular Economy ESG Brief** for more information

People in Supply Chains

Our aspiration: to source responsibly while acting as a catalyst to improve the well-being of people working in product supply chains

STRATEGY

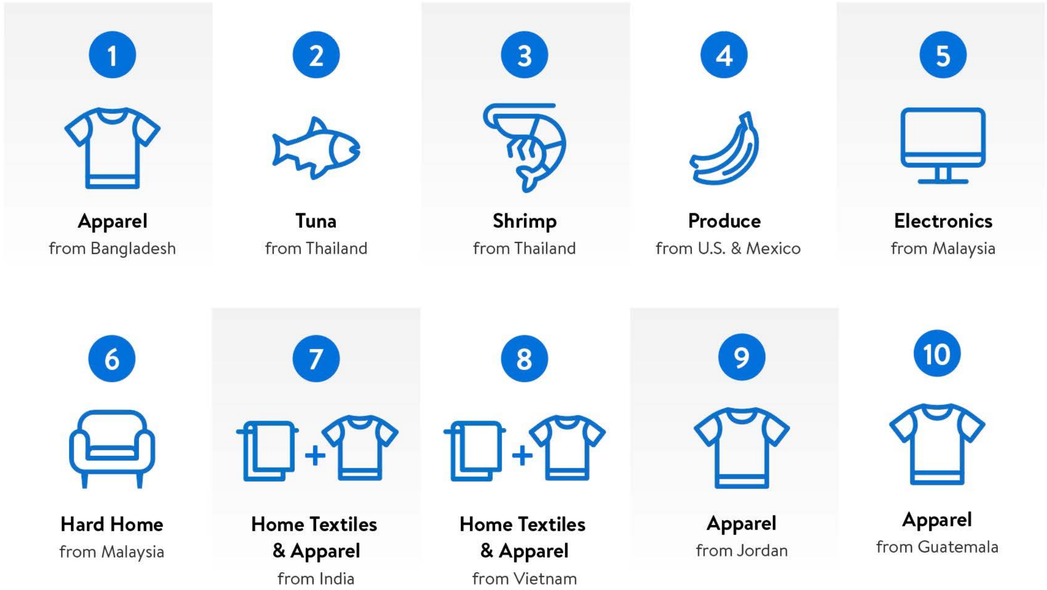
- Set strong, responsible sourcing standards, monitor suppliers and facilities for compliance, and manage non-compliances and remediation
- Create economic opportunity for people in supply chains by sourcing from diverse and small suppliers and investing to support smallholders
- Collaborate with key actors to address systemic risks to worker well-being

FY2023 HIGHLIGHTS

- Assessed ~13,100 third-party responsible sourcing facility audit reports[33]
- Over 90% of assessed audit reports were rated green or yellow and less than 2% percent of facilities assessed received a successive orange rating[34]
- 99% of Walmart U.S. and 99% of Sam's Club U.S. net sales of fresh produce and floral were from suppliers endorsing the produce Ethical Charter[35]
- Continued to invest in building capability in responsible recruitment and dignified working conditions, including in grants to IREX, Global Fishing Watch, The Nature Conservancy, Polaris, and the Woodrow Wilson International Center for Scholars

PEOPLE IN SUPPLY CHAINS – RETAIL SUPPLY CHAINS OF FOCUS

Walmart has committed to working with others to address risks to the dignity of workers in a minimum of 10 retail supply chains by 2025



See our **People in Supply Chains ESG brief** for more information

Community

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

RELATED ESG ISSUE BRIEFS:

- Serving Communities →
- Safer, Healthier Food & Other Products →
- Disaster Preparedness & Response →

Community Highlights

>665 MILLION

pounds of food donated in the U.S. to **help fight hunger**[36]

FOOD DONATION PROGRAM

>$1.7 BILLION

cash and in-kind donations **globally**[38]

Launched the Walmart Healthcare Research Institute to increase community access to healthcare research that may help lead to safer, higher quality, and more equitable healthcare

Serving Communities

Our aspiration: as an omni-channel retailer with a physical presence in thousands of communities around the world, Walmart seeks to help those communities thrive and become more resilient

STRATEGY

- Provide convenient access to affordable, quality goods and services
- Contribute to economic vitality by providing quality jobs, training and career paths, investing in local suppliers, and contributing to local economies
- Strengthen community resilience by supporting local organizations and causes, increasing food access, and preparing for and responding to disasters
- Build more inclusive and engaged communities through advancing equity, supporting caring and connected communities, and deepening engagement between our stores and clubs and their surrounding communities

FY2023 HIGHLIGHTS

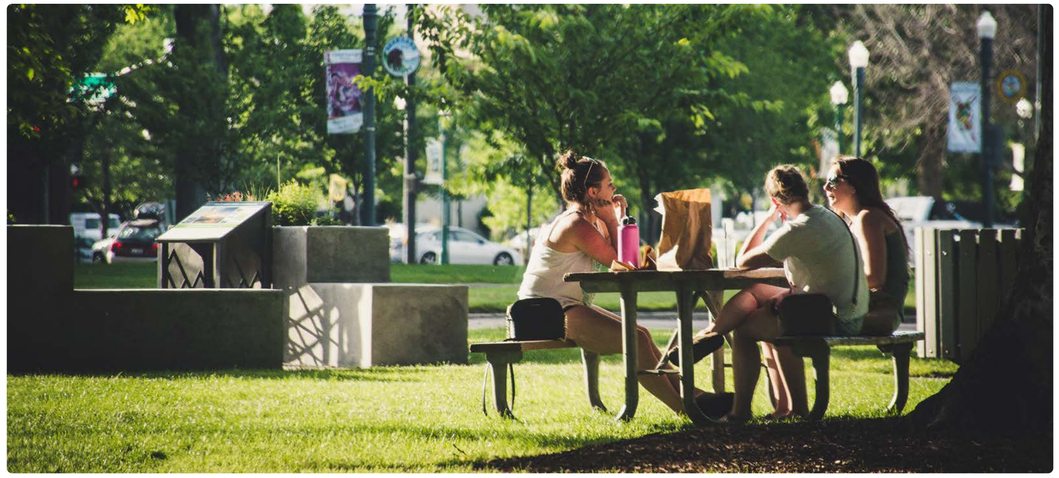
- Contributed to local economies including by employing ~2.1 million people, paying $3.310 billion in income-based taxes worldwide, investing $4.990 billion in store and club remodels in the U.S., sourcing more than two-thirds of Walmart U.S.'s total product spend on items made, grown, or assembled in the U.S., and donating more than $1.7 billion in cash and in-kind donations globally
- In the U.S., launched Spark Good, a new community engagement platform that provides more opportunities for customers and associates to support the causes that matter most to them; our U.S. locations, associates and customers collectively donated more than $146 million to charitable organizations in FY2023

See our **Serving Communities ESG brief** for more information

Caring and Connected Communities

We believe in the power of positive, in-person interactions among people of different backgrounds to build trust. Walmart provides support to organizations that bring people together to create more caring and connected communities.

For example, The Trust for Public Land will use a Walmart Foundation grant of $1 million for its initiative "On Common Ground," which helps forge new relationships among community members through shared spaces and community programs at city parks across the U.S.



Safer, Healthier Food & Other Products

Our aspiration: to improve the lives of people around the world by providing access to safer, healthier, and more affordable food and products

STRATEGY

- Provide safe, high-quality foods for our customers, including by promoting a positive food safety culture and a safer food system
- Improve access to healthier food options and enable customer choice
- Provide safe and affordable merchandise while promoting safer use and formulation of products across the industry

FY2023 HIGHLIGHTS

- Supported a strong food safety culture, including by conducting approximately 71,000 independent food safety audits and training ~1.2 million associates in at least one food safety course
- Promoted access to healthier food by ensuring SNAP benefits can be used at all Walmart stores as well as online in 49 states and by updating the Great for You nutrition criteria to match the 2020-2025 USDA Dietary Guidelines for Americans
- Reduced the footprint of priority chemicals in Walmart U.S. and Sam's Club U.S. formulated consumables by 20% compared to a 2017 baseline[39]

Innovation in Food Safety

We use machine learning technology that integrates compliance data (such as audits and regulatory visits) and operations data (such as facilities maintenance and logistics) to identify early risk indicators of pressure or strain on our stores or clubs. This information helps us prioritize the deployment of resources towards areas with a higher likelihood of food safety failure.

The Food Marketing Institute awarded Walmart the 2022 Food Safety Innovation Award for development and deployment of this technology.

See our **Safer, Healthier Food & Other Products ESG brief** for more information

Disaster Preparedness & Response

Our aspiration: to effectively prepare for and respond to disasters, with a focus on associate well-being, serving customer needs through swift and safe recovery of business operations, and supporting impacted communities

STRATEGY

- Disaster planning and preparation through risk assessment, business continuity planning, private-public collaboration, training, and supporting community resilience-building, particularly in vulnerable communities
- Disaster response, including ensuring associate safety and well-being, swift and safe recovery of business operations for the benefit of our customers, and supporting impacted communities

FY2023 HIGHLIGHTS

- To protect our associates, customers, and communities, our Emergency Operations Center operates 24/7/365
- ~$16 million globally in cash and in-kind donations for disaster recovery and preparedness

Collaborating with Partners for Disaster Preparedness

A key aspect of disaster planning and preparation is knowing the community and establishing relationships with community stakeholders before a crisis event. Including relevant stakeholders in disaster planning efforts promotes coordinated disaster response efforts, drives information sharing, helps us to direct resources where they are most needed, and can lead to more targeted support for communities in need after a disaster.

To strengthen these relationships and coordination, Walmart convened a Preparedness Summit in 2022, bringing together more than 100 representatives from corporations, government agencies, NGOs, and local nonprofits at Walmart's Home Office campus. Participants shared knowledge and best practices on topics including preparedness and technology, strengthening partnerships, the role of supply chains in disaster relief, and improving and increasing coordination and innovation in the disaster preparedness space.

SUPPORTING OUR STAKEHOLDERS

Associates

Ensuring the well-being of our associates and their families

Customers and Members

Maintaining and restoring our operations to serve customers and members swiftly and safely

Communities

Helping vulnerable communities build resilience before disasters and supporting impacted communities after disasters

See our **Disaster Preparedness & Response ESG brief** for more information

DISASTER PREPAREDNESS & RESPONSE SPOTLIGHT

Hurricane Ian Response

In the days before Hurricane Ian hit Florida in September 2022, Walmart associates began preparations for the storm, including facilities walks and roof checks, airing hurricane preparedness videos and weather forecasts on TVs in stores and clubs, and pre-staging resources and mobile generators at Walmart facilities in the expected path of the storm. Our team began working closely with the state of Florida's Emergency Operations Center, where they would remain embedded for more than a week to help coordinate with local facilities, emergency responders, and local leaders. The storm brought historic flooding and rainfall and hundreds of Walmart stores, clubs, and distribution centers in its path were affected, with dozens losing power and suffering damage from wind and water. Shortly after the storm passed, stores and clubs began to reopen to safely resume serving customers and members.

Customers, members, and associates saw significant damage to their homes and were left without utilities and water. To meet community needs, Walmart locations hosted services and water and meal distributions in their parking lots. Nonprofits including Cajun Navy Relief and The Salvation Army worked alongside our associates to help get resources like water, food, and emergency supplies to people in need. While power remained down for many across the region, some of our parking lots also hosted shower and laundry services, including P&G's Tide Loads of Hope.

Walmart private fleet drivers poured into the region from across the country, delivering an additional 3,800 truckloads of water to support stores and clubs and for distribution to communities and local nonprofits.

Walmart truck drivers also brought relief to the community through Walmart's Mobile Relief Kitchen, a fully equipped cooking trailer designed for disaster response. For several weeks, these associates cooked and served over 84,000 hot meals.

Walmart driver Greg Carter, who is based in Indiana, traveled to Florida to work at the Mobile Relief Kitchen with his fellow associates. To him, stepping up to help is simply part of the job. "Everything about Walmart is to take care of the customer," Carter said. "This is just one of the facets that we have. Walmart fills the needs of communities — not only when times are good, but especially when times are bad."

Overall, Walmart, Sam's Club, and the Walmart Foundation donated over $6 million in grants and supplies that helped nonprofits feed and shelter people, clean up debris, and provide relief to underserved communities.

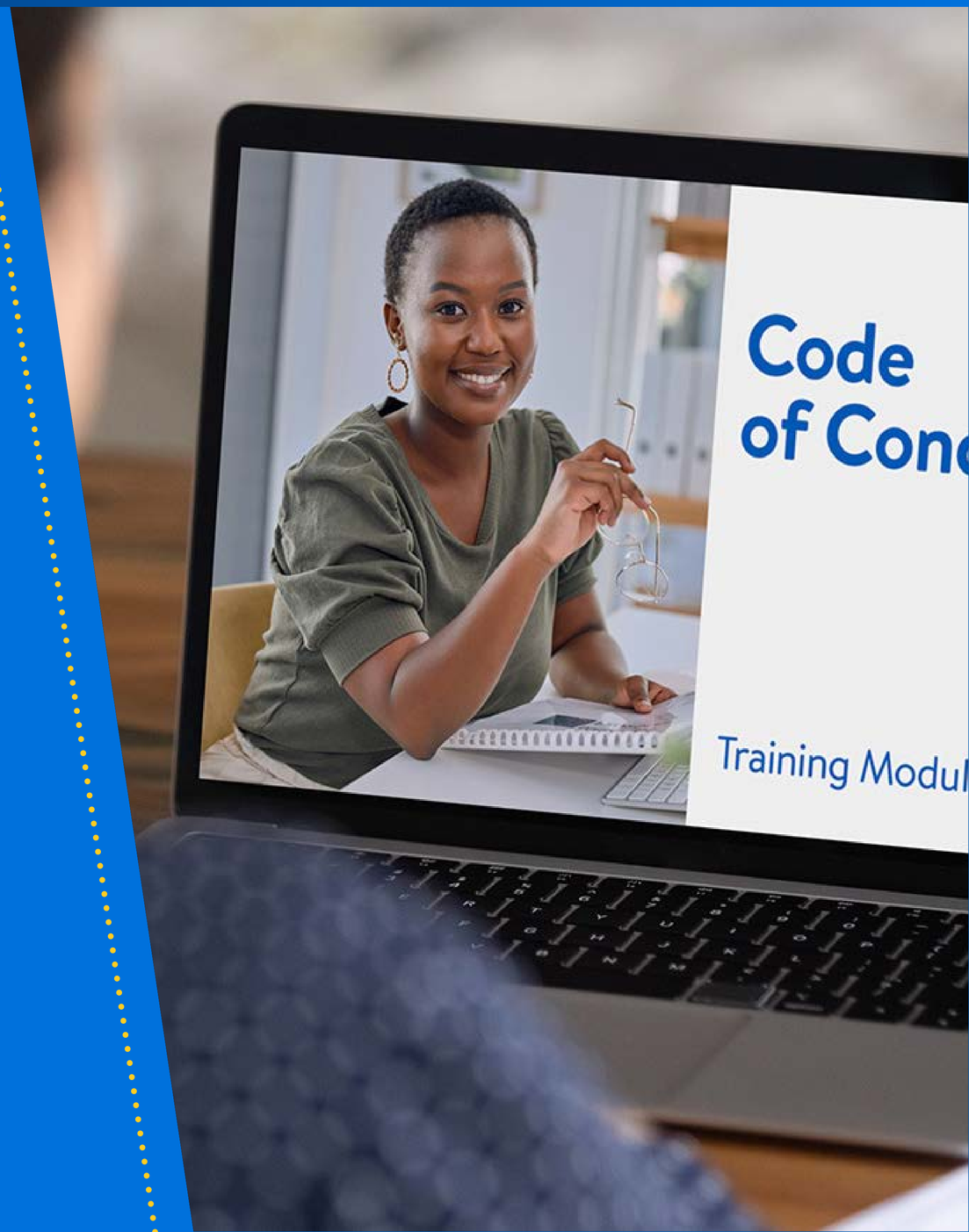
See more in our **Hurricane Ian timeline.**

Ethics & Integrity

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

RELATED ESG ISSUE BRIEFS:

- Ethics & Compliance →
- Corporate Governance →
- Engagement in Public Policy →
- Digital Citizenship: Ethical Use of Data & Responsible Use of Technology →
- Human Rights →



Ethics & Integrity Highlights

WALMART INC. BOARD OF DIRECTORS[40]

91%
Non-management

64%
Independent

27%
Female

18%
Racially/ethnically diverse

>1.4 MILLION
associates globally completed **Code of Conduct training**

~3 MILLION
tech assets continually **scanned for vulnerabilities**

Ethics & Compliance

Our aspiration: to model the highest standards of ethics and compliance to create and maintain a culture of integrity and build trust

STRATEGY

- Set foundations for an effective ethics and compliance program including maintaining a strong corporate culture of compliance and a mindset of continuous improvement
- Uphold standards of compliance across the business, including related to health and safety, anticorruption, antidiscrimination and harassment, food safety, digital citizenship, and responsible sourcing

FY2023 HIGHLIGHTS

- Updated our Ethics & Compliance program to focus on nine core program foundations
- Offered 29 languages on the 24/7 Walmart ethics helpline
- More than 1.4 million associates globally completed Code of Conduct training
- Walmart private fleet drivers drove more than 1 billion safe miles

Integrity in Action Award

Setting the appropriate tone from the top and creating a culture of ethics is integral to an effective Ethics and Compliance program. Recognizing and rewarding ethical behaviors helps to facilitate the creation of that culture.

Walmart's Integrity in Action Award is a global recognition program that celebrates associates who exemplify our values and champion a culture of integrity.

For example, in 2022, a Walmart Chile associate was recognized with this award for upholding company values by declining a supplier's unethical proposal. The associate was presented with the award and celebrated in the company's publications.

ETHICS & COMPLIANCE PROGRAM FOUNDATIONS

See our **Ethics & Compliance ESG brief** for more information

Corporate Governance

Our aspiration: to create an environment of accountability, transparency and trust in our business that fosters business integrity, financial stability, and responsible and long-term growth

STRATEGY

- Maintain a majority independent Board
- Provide effective oversight of strategy, risks, and opportunities
- Develop a talented and diverse pipeline of leaders
- Design compensation programs to support enterprise strategy
- Engage regularly with and receive feedback from a wide variety of stakeholders

FY2023 HIGHLIGHTS

- Provided updates on our ESG agenda and progress to the Nominating and Governance Committee of the Walmart Board
- Each governance-related Board committee, as well as the Strategic Planning and Finance Committee, is led by an independent chair
- Established an ESG Disclosure Committee to supervise, review, and monitor the preparation of ESG reports and information for publication as well as approve information governance standards related to the production of ESG reports and information

CORPORATE GOVERNANCE METRICS[41]

METRIC	2023	2022	2021
Director independence — independent Board members as a percentage of all directors	64%	64%	67%
Percentage of Board members who are women	27%	27%	25%
Percentage of Board members who are ethnically or racially diverse	18%	18%	17%
Board and committee meeting attendance rate — meetings attended as a percentage of all meetings	99%	98%	98%

See our **Corporate Governance ESG brief** for more information

Engagement in Public Policy

Our aspiration: to shape public policy that enables our business and the creation of shared value for our business, customers, associates, and other stakeholders

STRATEGY

- Align public policy activities with our business priorities and values
- Advocate for policies that promote the interests of our customers and other stakeholders
- Engage in the political process by encouraging our associates to vote as well as through the Walmart Inc. Political Action Committee for Responsible Government
- Work with trade associations and business coalitions to prioritize and advance issues that affect our stakeholders and our business

FY2023 HIGHLIGHTS

- Advocated for laws, regulations, and policies aligned with our shared-value interests, including the climate provisions in the Inflation Reduction Act and the American Innovation and Manufacturing Act
- Engaged trade associations in support of our agenda to oppose tariffs that increase costs for consumers and reduce the competitiveness of U.S. manufacturers
- Promoted greater accessibility to health and wellness services by advocating for expanding the role of health professionals and supporting legislation that helps ensure individuals have the technology to access telehealth services[42]
- Advanced a more circular economy by promoting extended producer responsibility legislation

Marketplace Trust & Transparency

Counterfeit and stolen goods are a growing problem on some online marketplaces. That is why we advocated for the INFORM Consumers Act, consumer protection legislation that would curb these activities and reduce the safety threat to our customers. The Act was enacted in 12 states in 2022 and became federal law in December 2022.

See our **Engagement in Public Policy ESG brief** for more information

Digital Citizenship: Ethical Use of Data & Responsible Use of Technology

Our aspiration: to build and maintain the trust of customers, associates, and communities with respect to our use of technology and data

STRATEGY

- Promote fairness through our Digital Trust Commitments
- Protect the privacy of customer and associate information through our policies and controls
- Manage and support the safety of our records, information, and data
- Protect our information and digital infrastructure

FY2023 HIGHLIGHTS

- Incorporated privacy by design principles into the design, development, procurement, and modification of our tech, business processes, and projects that include processing of personal information
- Continued annual assessment of our cybersecurity programs against third-party requirements
- >1.4 million associates completed trainings on digital citizenship and information security
- Blocked more than 100 billion bots on our websites in 2022

See our **Digital Citizenship ESG brief** for more information

DIGITAL TRUST COMMITMENTS

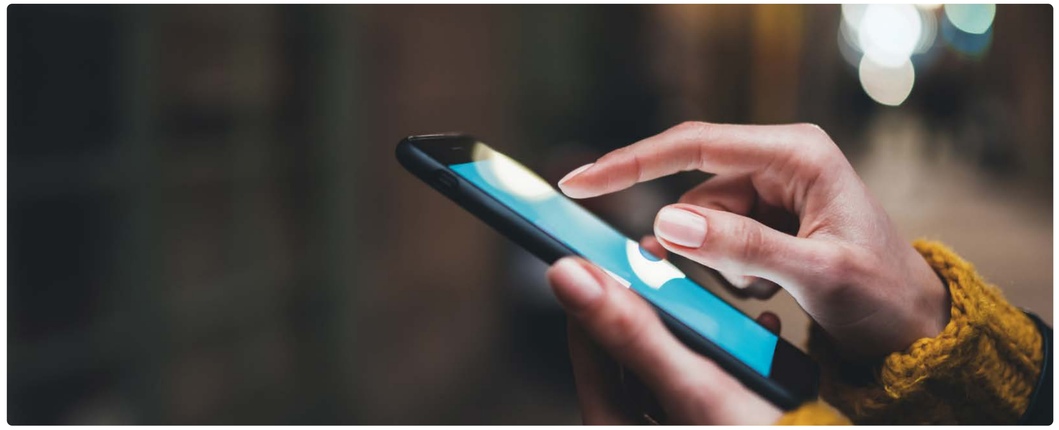
Walmart's Digital Trust Commitments provide a foundation for the company to earn and maintain customer trust in an omni-channel, data- and technology-driven world

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



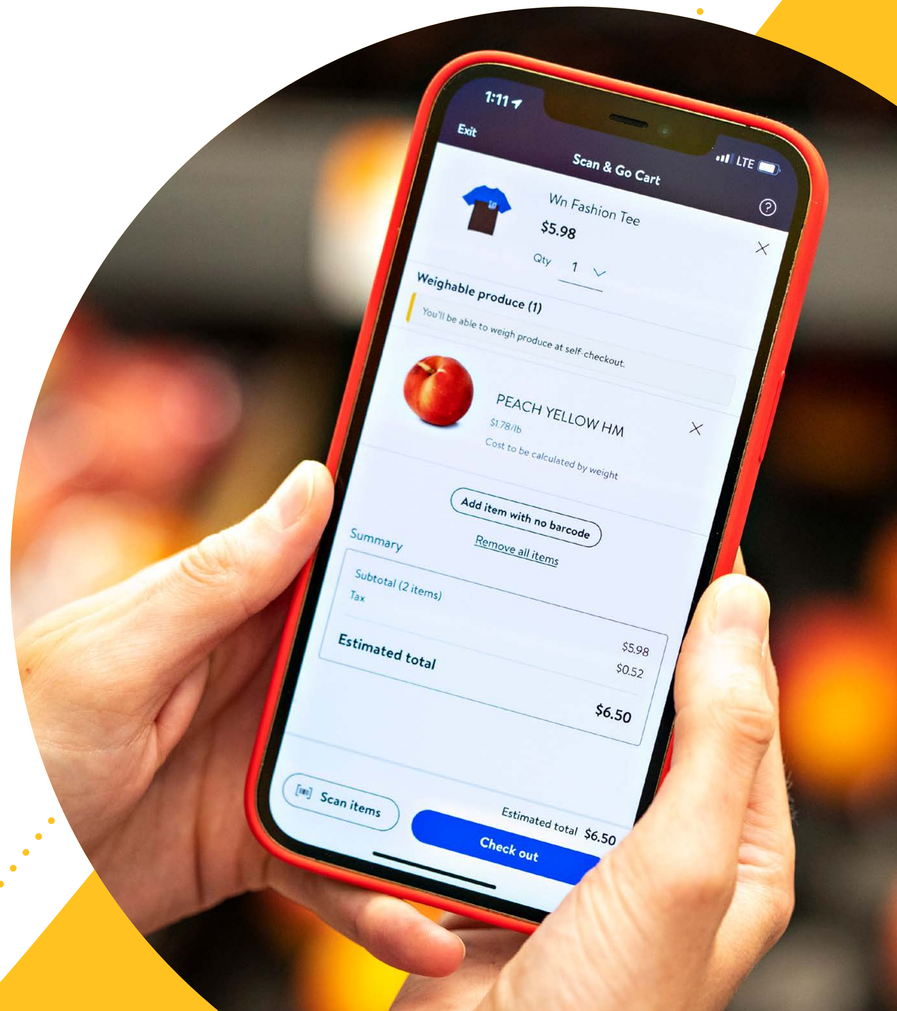
DIGITAL CITIZENSHIP SPOTLIGHT

How Walmart Protects Against Cyber Threats

In today's complex security landscape, cyberattacks can disrupt companies, institutions, and governments in the blink of an eye. Walmart's Information Security team helps to build and maintain the trust of our customers, associates, and stakeholders by securing our operating environment.

Our team analyzes more than seven trillion alerts annually. To help manage the volume of threats, we are prioritizing automation, including by deploying leading third-party tools, supplementing them with our own purpose-built tools, and leveraging internal and external experts to enhance our automated threat management capabilities.

One alert that has become more prevalent — especially around the holidays — are retail bots, which are automated programs that purchase inventory online. As more holiday commerce volume has shifted online, we worked to eliminate these bots via automated, purpose-built capabilities that only allow legitimate customers to purchase products. Last year, we blocked approximately 8.5 billion bots per month.



Human Rights

Our aspiration: to use our scale, capabilities, and influence to help people and communities improve their lives, with a focus on our salient human rights issues

STRATEGY

- Identify salient human rights issues and focus areas most relevant to our business
- Govern our approach to human rights in accordance with our **Human Rights Statement**, including oversight by management and the Walmart Board of Directors
- Manage salient human rights issues in our operations and supply chains, including through policies, engagement, assessing impacts, integration of findings, performance tracking, and appropriate remedy

FY2023 HIGHLIGHTS

- >400 suppliers set goals and/or reported progress on responsible recruitment through Walmart's Supplier Leadership Program on People
- Financially supported the creation of a data ecosystem and engagement channels to empower and promote the responsible recruitment of migrant workers in the U.S.-Mexico agriculture corridor
- Began a refresh of our human rights due diligence approaches, including re-examining our salient issues, focus areas, governance, policies, and practices
- Participated in the Owned Operations working group of the Consumer Goods Forum, which includes Human Rights Due Diligence activities

See our **Human Rights ESG brief** for more information

SALIENT HUMAN RIGHTS ISSUES

Walmart focuses its efforts on its identified salient human rights issues:

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

Appendix

About Our Reporting

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

Each priority issue is covered in-depth in our **ESG Issue Briefs**. The briefs cover our aspirations and strategies 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.

These ESG Highlights provide an overview of our shared value approach to ESG, our ESG priorities, and key highlights from the year, but it is not intended to be comprehensive. This report covers activities during the fiscal year ending January 31, 2023 (FY2023), except as otherwise noted. Calendar years (CY) are marked as such or written in a four-digit format. As we highlight each issue in this report, we provide links to the relevant issue brief or briefs.

New this year, we are sharing our key ESG metrics as a downloadable spreadsheet to make it easier for our stakeholders to get the information they need. This spreadsheet will be updated from time to time as new information becomes available.

We sought and received external assurance from a third party with respect to certain emissions-related information. 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.

Our reporting is guided by widely used voluntary reporting frameworks, including 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. Please see our **GRI**, **SASB**, **TCFD**, and **UN SDGs** tables for more information.

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.

Forward-Looking Statements

These ESG Highlights and our various ESG Issue Briefs do not cover all information about our business, and inclusion of information therein is not an indication that the subject or information is material to Walmart's business or operating results for purposes of U.S. securities laws and regulations. Statements other than statements of historical or current facts, including statements and images about our ESG targets, goals, aspirations, commitments and programs, and other business plans, initiatives, and objectives are forward-looking statements and are based on Walmart management's current assumptions and expectations. These statements are typically accompanied by the words "aim," "ambition," "anticipate," "aspire," "believe," "can," "commit," "estimate," "expect," "forecast," "goal," "hope," "intend," "may," "on track," "plan," "predict," "project," "strive," "target," "will," "would," or other 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 a variety of factors, including, but not limited to, changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors, many of which are outside of our control. Such risks, uncertainties and factors include the risk factors discussed in Item 1A of our most recent Highlight Report on Form 10-K and in subsequent filings 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 these ESG Highlights and each of our ESG Issue Briefs carefully in evaluating the forward-looking statements therein. 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. Unless expressly stated otherwise, the forward-looking statements in these ESG Highlights and our ESG Issue Briefs are made as of the effective date identified in the issue brief, and we undertake no obligation to update or revise these forward-looking statements to reflect subsequent events or circumstances. Standards of measurement and performance made in reference to the goals, aspirations, and objectives referred to in these ESG Highlights and our various ESG Issue Briefs are developing and based on protocols, processes, and assumptions that continue to evolve and are subject to change in the future, and no assurances can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in these ESG Highlights or our ESG Issue Briefs can or will be achieved.

Endnotes

1 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.

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

3 Data for promotions includes both hourly and management promotions and excludes Walmart Home Office promotions.

4 Calculation is for associates working in stores, clubs, and supply chain.

5 A diverse supplier is defined as a U.S. privately held company that is recognized as at least 51% owned and operated by a woman, minority, veteran, disabled veteran, a person with a disability, or a member of the lesbian, gay, bisexual, transgender, or queer (LGBTQ+) community. All references to "diverse suppliers" in this report follow this definition.

6 Calculation is for associates working in stores, clubs, and supply chain.

7 Data for promotions includes both hourly and management promotinos and excludes Walmart Home Office promotions.

8 Wage metrics in the table exclude the following associate types: Home Office associates, pharmacists, on-site-clinics, drivers, management trainees, and temporary associates.

9 The average hourly starting rate is calculated as the average hourly wage of U.S. associates that joined in the preceding six months. Starting wage ranges were $12-$32/hour (Walmart U.S.), $15-$32/hour (Sam's Club U.S.), and $16-$30 (supply chain). The minimum starting wage rate was increased to $14/hour in Walmart U.S. in February 2023.

10 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.

11 This segment includes Walmart U.S. stores and supply chain.

12 This segment includes Sam's Clubs and supply chain.

13 Supply chain includes associates who work in distribution and fulfillment centers but excludes drivers.

14 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. Data for the U.S. is as of January 31.

15 As reported by grantee organizations. Farmers may benefit from more than one investment or program. Each engagement will be included in calculating total reach.

16 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.

17 Annual Scopes 1 and 2 GHG emissions 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 Change brief that may not correspond to results reported to CDP for our annual Climate Change questionnaire. Flipkart emissions data is excluded from Walmart's Scope 1 and 2 emissions footprint and progress calculation. We believe excluding Flipkart's data will have negligible impact on the overall reporting.

We engage Lucideon CICS to independently verify Walmart's reported Scope 1 and 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 in calculating our GHG emissions, which 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.

To account for structural changes in our business, we strive to adjust our emission reduction progress on Scope 1 and 2 emissions to add or subtract emissions for entities acquired or divested in the year the acquisition or divestiture took place, including adjusting for previous years (including the baseline year).

18 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.

19 Includes Walmart U.S. and Sam's Club U.S. fresh and frozen, wild-caught and farmed seafood. Sourced from fisheries that are third-party certified as more sustainable, actively working toward certification or engaged in a fishery improvement project (FIP) or Aquaculture Improvement Project (AIP). Tracked on the FishChoice platform, FisheryProgress.org. Publicly registered FIPs include FIPs and Pre-FIPs, both of which are registered with Fishsource.

20 Includes Walmart U.S. and Sam's Club U.S. bananas. Results do not include volume from spot buys. Spot buy bananas may not qualify as certified "more sustainable." Walmart defines "more sustainable" bananas as bananas that are certified by Rainforest Alliance, Sustainably Grown, or Fair Trade.

21 Includes Walmart U.S. and Sam's Club U.S. combined coffee. Walmart defines "more sustainable" coffee as coffee sourced as certified by Fair Trade, Rainforest Alliance Certified, or UTZ.

22 Includes Walmart U.S. private brand black and green tea bags and instant iced teas as certified. Walmart defines "more sustainable" tea as tea sourced as certified by Rainforest Alliance.

23 Annual Scopes 1 and 2 GHG emissions 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 Change brief that may not correspond to results reported to CDP for our annual Climate Change questionnaire. Flipkart emissions data is excluded from Walmart's Scope 1 and 2 emissions footprint and progress calculation. We believe excluding Flipkart's data will have negligible impact on the overall reporting.

We engage Lucideon CICS to independently verify Walmart's reported Scope 1 and 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 in calculating our GHG emissions, which 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. To account for structural changes in our business, we strive to adjust our emission reduction progress on Scope 1 and 2 emissions to add or subtract emissions for entities acquired or divested in the year the acquisition or divestiture took place, including adjusting for previous years (including the baseline year).

24 This includes generation from active renewable and low-carbon projects. It considers the combined contribution of power generated from on-site and off-site projects as well as renewable energy generation feeding into the grids where our sites are located. Third-party-verified energy consumption data is one year in arrears for the CY2019 and CY2020 years. For CY2021, the latest energy consumption data was used. This was used in combination with the electricity procured from our renewable energy projects and the most recent grid fuel mix information obtained from the International Energy Agency for the regions where we operate. This estimate does not include energy data for our Flipkart business. We believe excluding Flipkart data will have a negligible impact on our estimate.

25 The U.S. product net sales figure used for the calculation includes Walmart U.S. and Sam's Club product net sales for the previous four quarters (Q3 through Q2) prior to the start of the 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.

26 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.

27 Annual Scopes 1 and 2 GHG emissions are updated from time to time in the ESG Climate Brief to account for changes in emission factors or the availability of more accurate activity data. Flipkart emissions data is excluded from Walmart's Scope 1 and 2 emissions footprint and progress calculation. We believe excluding Flipkart's data will have a negligible impact on the overall reporting. Our emissions footprint in CO_2e is calculated to include emissions for our operations for the period in which we owned the operations in the reporting year. This may result in updated emissions reported not corresponding 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 in calculating our GHG emissions, which 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. 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.

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.

Scope 2 (market-based) emissions include the carbon reduction value of renewable electricity procured from onsite and offsite projects. To account for structural changes in our business, we strive to adjust our emission reduction progress on Scope 1 and 2 emissions to add or subtract emissions for entities acquired or divested in the year the acquisition or divestiture took place, including adjusting for previous years (including the baseline year).

28 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.

29 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.

30 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.

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 as against this adjusted baseline.

31 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.

32 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. Original goal covered U.S., Canada, Japan, and the U.K., and now includes Mexico. Walmart divested its retail operations in the U.K. and Japan in February and March of 2021, respectively.

33 Where a facility is required to be disclosed to Walmart, "Active" status denotes that the supplier can use the facility for Walmart production.

34 Facility color ratings denote the seriousness of findings identified in the audits.

35 Results are limited to net sales of Walmart and Sam's Club direct suppliers and do not include data from "spot buy" or "direct store delivery" suppliers. Direct suppliers represent 90% of Walmart U.S. net sales of the relevant department, and 89% of the Sam's Club U.S. net sales of the relevant department. The U.S. product net sales figure used for the calculation includes Walmart U.S. and Sam's Club product net sales for the previous four quarters (Q3 through Q2) prior to the start of the survey reporting window. The percentage represents U.S. product net sales of suppliers that reported to Ethical Charter in the reporting year versus all U.S. product net sales. The calculation excludes Walmart International segment product net sales from the calculation.

36 Based on reports from Feeding America

37 Based on reports from Feeding America.

38 Total cash and in-kind donations includes combined philanthropic efforts of Walmart and the Walmart Foundation.

39 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.

40 Metrics presented correspond with information reported in Walmart's Annual Proxy Statements for the stated years; director metrics are based on nominees for election at the Annual Shareholders' Meeting for each year.

41 Metrics presented correspond with information reported in Walmart's Annual Proxy Statements for the stated years; director metrics are based on nominees for election at the Annual Shareholders' Meeting for each year.

42 Walmart is a member of the Alliance for Connected Care and the American Telemedicine Association; we also are a member of the Consumer Technology Association.

Contact Us

Additional information about Walmart can be found by visiting us at **corporate.walmart.com**, on **LinkedIn**, and on **Twitter**.

Your feedback is important to us. Email us at **ESG_WMT@walmart.com**.