Walmart

2018 GLOBAL RESPONSIBILITY REPORT SUMMARY

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ABOUT THIS REPORT

This report covers the global responsibility activities of Walmart and the Walmart Foundation, and information reported from grantees, suppliers and others, for fiscal year 2018, which ran from February 1, 2017, to January 31, 2018. For readers' convenience, we refer to this fiscal time period as FY2018 throughout the report, unless otherwise noted. Grant funds reported as awarded or committed may not have been disbursed in FY2018, and full payment of those amounts may be subject to receipt of satisfactory impact reports.

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For information regarding forward-looking statements, please refer to inside back cover.

To learn more, please read our full Global Responsibility Report by visiting corporate.walmart.com/2018GRR.

Our business

OUR PURPOSE IS TO SAVE PEOPLE MONEY SO THEY CAN LIVE BETTER

Walmart aims to provide safe, affordable food and other products to people around the world. Doing so in a way that enhances economic opportunity, environmental and social sustainability, and local communities creates value for our business and for society.

Nearly
270 million
customers served every week with convenient access to affordable food, health and wellness products, and general merchandise

$500+ billion
total revenue

More than
11,700 stores under **65 banners**
in **28 countries** and **eCommerce** websites

OUR VALUES

- Respect for the individual
- Service to the customer
- Strive for excellence
- Act with integrity

OUR PLAN TO WIN

- Make every day easier for busy families
- Change how we work
- Operate with discipline
- Be the most trusted retailer

To learn more, please read our full Annual Report and Form 10-K by visiting stock.walmart.com.

Since Sam Walton founded our company over 55 years ago, Walmart has helped hundreds of millions of customers save money and live better—providing them with convenient access to affordable items. His vision and passion transformed retail.

Today, we're leading a new transformation—one that combines our stores and clubs with eCommerce to make every day easier for busy families. At the same time, we know our transformation is about more than the shopping experience. Technology has created a new level of transparency and, increasingly, customers want to do business with companies they trust.

To become the most trusted company in a way that creates value for business and society, we not only have to transform our day-to-day operations, we have to work alongside our suppliers, NGOs, thought-leaders and elected officials to change entire systems. We want to lead on the environmental, social and governance issues that matter most to our customers, associates, shareholders and communities.

Our journey began over 10 years ago, when we set ambitious goals to be powered by 100 percent renewable energy, to create zero waste and to sell products that sustain people and the environment. Since then, we've deepened and broadened our aspirations to focus even more on our planet and on people—our associates who work at Walmart and the people who make the products we sell.

In 2016, we set our long-term aspirations in three broad areas: creating economic opportunity for our associates and the people in our supply chain, further enhancing the sustainability of our operations and the supply chain, and strengthening the communities where we operate.

I'm encouraged by the progress we've already made. We've invested in higher starting wages and training for Walmart associates. Earlier this year we also expanded maternity and parental leave for full-time hourly and salaried associates in the U.S. We were the first retailer to set science-based targets for greenhouse gas emissions reduction, including launching Project Gigaton™, which is an initiative to work with suppliers to remove 1 billion metric tons, a gigaton, of emissions from our supply chain by 2030. We're also collaborating with suppliers and others, including nonprofit organizations, to help combat forced labor in the global supply chain. We're proud of this progress, but we know we can do more to create shared value and earn the trust of all our stakeholders.

In this report we share details about our progress and our aspirations for addressing the issues most important to society. We look forward to your feedback and collaboration as we work together to help the people we serve to live better today and for generations to come.

Doug

Doug McMillon
President and Chief Executive Officer
Walmart Inc.

Business exists to serve society. For Walmart, this is true in many ways. We're providing customers with convenient access to safe, affordable food and other products, creating job opportunities for our associates; helping suppliers grow their businesses that, in turn, employ others; and generating tax dollars that help support community life.

The most successful businesses do all these things but go one step further—they aim to strengthen the systems on which they rely, such as retail employment or food production. Why? Not only to build customer trust and maintain license to operate, but also to enhance supply security, manage evolution of cost structure, generate new revenue streams and attract talent. Strengthening societal systems is not only the responsible thing to do—it maximizes business value.

Today, as a society, we face significant challenges. While global prosperity has increased, so has inequality. Studies point to a growing skills gap that, if unaddressed, will prevent people from advancing economically. Meanwhile, growing consumption—compounded by increasing population—puts more pressure on the climate, natural resources and waste management.

That's why our approach to environmental, social and governance (ESG) issues goes beyond minimizing our own footprint or mitigating risk. We take a more radical approach: sparking collective action to transform the retail sector for environmental, social and economic sustainability.

So in the case of retail associates, for example, we aim not only to help people enter the workforce with competitive wages, but also to help them build skills needed to advance, whether at Walmart or beyond. We want to build a skills-based employment system with ladders of opportunity, at scale, that include everyone—in numbers representative of our communities.

And when it comes to human rights in supply chains, we aim not only to source responsibly but also to work with others to rewire chains for social sustainability—for example, improving Bangladesh factory safety through our work with the Alliance, or fighting modern slavery in seafood through our work with the Seafood Task Force and Leadership for Responsible Recruitment.

And with respect to climate change, we aim not only to lower our own emissions, but to galvanize collective action across the retail supply chain to bend the curve on emissions—removing a gigaton through initiatives in energy, waste, agriculture, packaging, natural capital and product design.

In this report, you will find a summary of our aspirations, programs and commitments in our priority areas of increasing economic opportunity, enhancing sustainability of supply chains and strengthening communities. We welcome your feedback and collective action to help accelerate progress.

Kathleen McLaughlin
Chief Sustainability Officer
Walmart Inc.

Performance highlights

Opportunity

We aim to increase economic opportunity in retail and retail supply chains

Providing great jobs and inclusive advancement in retail

Bonuses for hourly Walmart U.S. associates topped
$625 million
in FY2018

230,000+
associates promoted in Walmart U.S.

Fostering inclusion

Women make up to
30 percent
of company officers
& **55 percent**
of our total U.S. workforce

Growing a local and inclusive supply base

Walmart and the Walmart Foundation funded the training of more than
1 million
small- and medium-scale farmers, of whom more than half are women

Sustainability

We aim to enhance the sustainability of operations and value chains

Reducing energy intensity and emissions

≈28 percent of electricity from renewable sources

Eliminating waste in our operations

By the end of 2017, **78 percent** of global waste diverted from landfill[1]

Reducing environmental impacts

A reported **34 million** acres committed to fertilizer optimization programs

Advancing food safety

In 2016, Walmart and the Walmart Foundation announced that we will invest **$25 million** over five years on food safety projects in China

Mango blockchain pilot project—able to trace origin of sliced mangoes from farm to our shelves in **2.2 seconds** compared to seven days previously

Supporting measurement and transparency in our supply chain

In FY2018, over **$200 billion** in sales of our U.S. goods were from suppliers that participate in the Sustainability Index, in categories where the Index is available

Community

We aim to help strengthen local communities

Disaster relief

In FY2018, Walmart and the Walmart Foundation gave more than **$38 million** to hurricane relief

Relieving hunger

Since FY2015, Walmart donated **2.5 billion** pounds of food in the U.S. alone

Supporting local communities

In FY2018, Walmart associates volunteered more than **850,000 hours** in the U.S.

VOLUNTEER

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

Shared value: Our approach to ESG

Our approach to environmental, social and governance (ESG) topics is rooted in our company purpose to save people money so they can live better. Embedded in that purpose is the principle of shared value: we maximize business value by helping to address important needs in society and, conversely, we can transform society through our business. Delivering on our purpose in a way that creates economic opportunity, sustains the environment and strengthens local community not only mitigates risk—it can generate significant, lasting value for our business and for society.

Key elements of our approach:

- **Creating shared value.** Good ESG practices go beyond risk management or corporate responsibility—they can generate additional value for business and for society. For example, better ESG practices can enhance customer trust, catalyze new product lines, increase productivity, reduce costs and secure future supply, while simultaneously improving livelihoods, advancing economic mobility and opportunity, reducing emissions and waste, and restoring natural capital.

- **Salient issues.** We set ESG priorities based on relevance for our company purpose, key categories and markets; the potential impact on Walmart's business and relative importance to our customers and other stakeholders; and Walmart's ability to make a difference through strengths such as our associates around the world, supplier relationships, jobs and purchase orders, or capabilities such as in logistics and technology.

- **Whole-system change.** To maximize shared value, we aim not only to run a good retail business but also to make large-scale and lasting improvements to the ecosystems most salient to our business. In this report we will discuss several of these, including human-capital development in the retail sector, human rights in seafood, and science-based emissions reductions across the entire consumer goods chain. That means beyond managing our own footprint, we work to accelerate transformation of broader systems.

- **Business leadership.** We establish, drive and track performance against our social and environmental priorities through our everyday business activities. For example, we track performance toward our diversity goals through our human resource activities and renewable-energy goals through our real estate and operations activities. Business ownership and accountability for ESG execution starts with the Walmart Board of Directors and leadership engagement, and is embedded throughout our business in the business planning and performance management cycle, our operating policies, organization roles and coordinating mechanisms, project governance, and systems and tools (e.g., Sustainability Index).

- **Aligned philanthropy.** Our corporate giving and the Walmart Foundation programs complement Walmart's business initiatives to help accelerate social and environmental transformation. In FY2018, through a combination of in-kind and cash gifts, Walmart and the Walmart Foundation gave over $1 billion to projects that create opportunity, enhance sustainability and strengthen community.

- **Collective action.** Since we believe that collective action is essential to transforming systems, we shape our ESG programs in collaboration with other leaders and stakeholders. Project Gigaton™, the Retail Opportunity Network and the Sustainability Index are just a few examples of large-scale, system-wide collaborations we have helped create.

Defining our ESG priorities, commitments and targets

Walmart's ESG priorities help us focus on the most salient opportunities inherent in shared value creation. Our commitments and targets help us aim high, be accountable and move at pace.

When we make a public ESG commitment, this galvanizes action across our business through senior-level oversight; standards, programs and practices; and metrics and reporting for accountability, including the annual publication of our Global Responsibility Report.

In late 2014, we conducted our first major materiality review since setting out our 2005 sustainability goals regarding renewable energy, waste and sustainable products. This review included discussions with our top 20 institutional investors, listening tours and engagement surveys of thousands of Walmart associates from frontline to the C-Suite, surveys of over 2,000 customers, interviews with 50 leaders of grassroots organizations and international NGOs, sustainability reviews with our top 20 suppliers and a literature review. It confirmed a broadening of priorities that Walmart had already begun to more strongly emphasize issues affecting people—issues such as economic opportunity for Walmart associates, the safety and livelihoods of workers in value chains and climate change.

In particular, for social issues in the value chain, we have evaluated the global value chain using our own research, risk analyses and consultations with industry experts and NGOs. We wanted to better understand where risks were most likely to occur, including the nature and severity of the risk, region of the world and specific chain.

To date, we've prioritized produce in the United States and Mexico, seafood in Thailand, apparel in Bangladesh and electronics in Malaysia and China as areas of focus, and in 2016, we committed to collaborating with others to address major risks to the dignity of workers in a minimum of 10 retail supply chains by 2025.

We validated and refined our agenda in 2016, articulating three major priorities: economic opportunity; social and environmental sustainability; and local communities—and a set of related commitments and targets for 2025, which Doug McMillon, Walmart CEO, announced at Net Impact in November, 2016. Once again, we engaged stakeholders extensively and are grateful for their useful feedback. We also considered the Walmart business strategy and transformation, analyzed the implications of environmental and social trends for our business and stakeholders, engaged with leaders and reviewed the principles of the following perspectives and movements, including the United Nations (U.N.) Sustainable Development Goals, the Paris Agreement, the U.N. Global Compact, the U.N. Guiding Principles for Business and Human Rights, ILO's 1998 Declaration on Fundamental Principles and Rights at Work, and we stress-tested our own theories of change against alternative approaches.

Our priorities reflect

- Relevance to Walmart's purpose, key categories and markets
- Shared value: potential impact on our business and society, including both risk and potential upside, based on our analysis and the relative importance to our customers and other stakeholders
- Walmart's ability to make a difference through our strengths, including our 2.3 million associates around the world, supplier relationships, jobs and purchase orders, expertise in food and other categories, or capabilities such as logistics and technology

2.3 million
associates around the world

Stakeholder Engagement

As a retailer, our company performance depends on direct and frequent engagement with customers, associates, community leaders and the people who supply products we sell, hold our stock and evaluate our performance. With respect to ESG issues, we engage stakeholders formally in periodic materiality reviews, and on an ongoing basis through numerous mechanisms outlined below. Stakeholder perspectives and feedback improve the relevance and effectiveness of our products, services and initiatives.

STAKEHOLDERS AND THEIR ESG PRIORITIES	
Shareholders and research analysts	• Financial performance and competitiveness strategy • Social: associate training, wages; responsible sourcing • Governance: ethics and compliance; data privacy and security; board and comp • Environment: climate, waste
Customer	• EDLP: affordable food, products • Associate training, wages and benefits • Healthy, environmentally friendly products • Local sourcing; responsible sourcing • Community: hunger, disaster, veterans • Transparency
Associates	• Job stability and mobility: wages, benefits, training and promotions • Inclusive workplace • Community: local giving, hunger, disaster
Suppliers	• Understanding Walmart's standards • Responsible sourcing • Emissions, deforestation, water, waste • Safe and healthy products • Opportunity for diverse suppliers
Communities	• Local economic impact: jobs, sourcing, affordable products • Support for local organizations • Disaster response and resilience • Food security • Emissions, waste, natural capital
NGO's, grantees and advisory councils	• All issues—varies by group • Associate opportunity • Inclusion • Emissions, waste, natural capital • Responsible sourcing • Disaster response and resilience • Hunger relief

At Walmart, our **open door philosophy** is an integral part of our culture.

Shareholders

We communicate with our shareholders through regular calls with members of the investment community, as well as quarterly earnings materials, SEC filings, investor conferences, investment community meetings, our annual report, our proxy statement and website disclosures. In each of these channels we provide timely and robust data on financial performance and other key concerns.

We also conduct formal shareholder outreach programs focused on corporate governance and matters related to the proxy statement. During these engagements, we have open dialogue with key institutional shareholders and provide updates on corporate strategy, Board composition and oversight, executive compensation and corporate responsibility initiatives. We hear diverse perspectives from investors on board governance, and we provide this shareholder feedback to our Board.

In addition, we communicate with current and prospective shareholders through phone calls, which enable us to answer questions about our strategy, recent financial results and the competitive landscape. Through our website and hotline, we offer ways for new investors to connect with us.

Associates

We communicate with our associates in a variety of ways, including: personal one-on-one interaction, team meetings, cascaded leadership communications, company intranet, Facebook Workplace and other social media, as well as traditional digital communications such as email. Walmart conducts anonymous Associate Engagement surveys, at a minimum annually, to gather feedback. From our FY2018 U.S. associate engagement results, we see our training investment reflected in the response from the vast majority of associates who agreed with the statement, “I have the training necessary to perform my job well.” We are seeing additional benefits from our investments, as the majority of our associates also agreed with the statement, “I am aware of the career opportunities available to me.” Finally, the survey also confirms that more than three-quarters of our associates would recommend friends or family to Walmart for employment, in line with scores found across companies in retail and other sectors for similar questions.

Walmart's unique "Open Door" process is another resource that allows any associate—from entry level to the C-suite—to share ideas and raise an issue at any time with any other associate at any level without fear of reprisal. As noted in our Walmart U.S. Open Door policy:

> *At Walmart, our open door philosophy is an integral part of our culture, reflecting a tradition of open communication and a culture of listening to our associates. We encourage and expect all associates to actively participate in making the company a better place to work and shop. The open door process offers each associate an opportunity to bring suggestions, observations, or concerns to the attention of any supervisor or manager without fear of retaliation. We also welcome early identification of opportunities and challenges and mutual resolution of complaints.*

We aim to create an environment where associates feel free to express opinions, in confidence when appropriate, on workplace concerns, ideas for improvement and new opportunities to make the business more successful. Additional information on Open Doors and nonretaliation, as well as guidance for our associates on when/how to use these resources, can be found in our Statement of Ethics.

In addition, senior operations executives also conduct formal listening tours twice a year with associates across the U.S., as well as during our Year Beginning Meeting, Holiday Meeting, and Shareholders' Associate Week. Quarterly town hall meetings are held where feedback is given and responded to. Weekly operations feedback calls are also conducted with store managers. During these sessions, action items are assigned to field and home office associates, including officers, who are held accountable to address each one.

Transparency and communication are key to driving Walmart's internal culture of trust, and we are committed to continual improvement in these efforts. We use the feedback we get from these interactions to understand the issues that are paramount for our associates and respond to them as effectively as possible. In recent years, for example, we have improved starting pay, instituted scheduling systems changes and added to our training and development offerings to better meet the needs of our associates.

Customers

Understanding the needs of our customers is a top priority. We use a variety of channels to solicit feedback and to communicate with our customers. These include focused research through surveys and in-person discussions, social media interaction through actively managed Facebook and Twitter pages, in person communication in our stores, outreach through email and phone, as well as communication through our customer call centers.

We work to drive greater efficiency at every stage of our supply chain to make sure we are offering great products at great prices. We have listened to and are working to respond to our customers' questions regarding topics such as country of origin, nutrition profile of foods, ingredients and responsible sourcing. For many of our private label brands, for example, we have worked with our suppliers to help improve the nutrition profile by removing or reducing sodium, sugar and transfats.

Suppliers and others in the supply chain

An important lever in achieving the system-wide change we aspire to is the power of our purchase orders. We communicate our expectations to our suppliers and solicit their feedback in a variety of ways. Our online supplier portal contains information about our standards for worker safety in factories; emissions, product waste and other sustainability issues; and other issues that affect the products we sell and the processes that go into creating them. We provide additional outreach and support for diverse and women-owned suppliers, helping them to understand the process of becoming a Walmart supplier. We also host a variety of live and online events, communicate at trade events and provide online updates. These communications help us to work with our suppliers around the world to help strengthen and improve the systems we rely on.

To gain deeper insight into the daily lives of people throughout the supply chain, such as the farmers, fishermen and factory workers who make the products sold by Walmart and other retailers, our buyers and leadership teams conduct what we call "eat what you cook" on-site visits. These "eat what you cook" on-site visits are essential for bringing forward an important voice: that of the person at the far end of the chain, a voice that is often missing from big global discussions. This helps us improve our merchandising and responsible sourcing practices, as well as human rights initiatives such as Responsible Recruitment. In 2017, cross-functional teams from Walmart, including merchants, responsible sourcing managers, sustainability specialists and giving program officers, interviewed fishermen on tuna boats in Southeast Asia, spoke with tomato farmers in fields and greenhouses, heard from smallholders and ranchers near the forests of Brazil and held working sessions with small producers in Mexico, among others, in similar on-site visits.

Communities

At Walmart, we work hard to support the communities where we operate and where our associates and customers live. Our store managers meet with local organizations and also engage through written and online communication. The Walmart Foundation works with numerous grantees in communities around the U.S. and the world, engaging with them through proposals, meetings and discussions of progress toward goals.

Besides providing hundreds of jobs through stores, clubs and distribution centers, we support local organizations and civic activities. Community leaders and first responders know that when disaster strikes, whether it's a hurricane, a wildfire or an earthquake, Walmart will work to mobilize supplies and provide logistics and expertise both in the immediate aftermath and as communities rebuild. We also support disaster relief organizations to help them improve community resilience through training and technology. Additionally, the Walmart Foundation provides funding for job training, hunger relief, conservation and other local priorities.

Governments

Walmart is committed to being a constructive and engaged corporate citizen. We work closely with governments at all levels in the countries where we do business. The guiding principle for Walmart's government engagement is to promote public policy that is at the intersection of business, consumer and public interests. We believe that sound public policy is the result of good faith government and stakeholder actions that promote the intersection of those interests. Whether the issue involves federal or state-level taxation, trade, technology or workforce of the future, we advocate with a view toward the long-term interests of our business associates, our customers and the communities in which we work and live. We are committed to providing substantive and technical input and advice to legislative bodies and executive agencies across all issues where we have expertise, and make it a practice to do so in ways that build trusting relationships.

NGOs, grantees and advisory councils

Many of the problems facing the world today, from deforestation to human trafficking, are beyond the scope of any single organization to resolve. Because we aim to create lasting impact and system-wide change, Walmart and the Walmart Foundation seek out grantees and others in collaborative efforts to help solve complex problems.

We have ongoing conversations with these organizations through regular meetings and online updates of progress against goals. We seek to promote ecosystems and networks that allow grantees to magnify their impact by learning from and supporting one another.

We have also created and engage several advisory councils to critique Walmart practices and initiatives. These include the Living Green Working Group comprising people from environmental NGOs, and the Workforce Advisory Council, which is made up of experts in workforce development.

Research analysts

We have ongoing conversations with members of the investment community who analyze our performance for shareholders and other stakeholders. These include financial analysts, ESG analysts and researchers. We interact with analysts holding a variety of viewpoints on our company and believe we are better informed when we are exposed to these diverse perspectives.

Our engagement with research analysts is similar to the ways we interact with shareholders: through presentations, regulatory filings, conferences, website postings, responses to survey and information requests, as well as numerous phone calls and meetings. We use these channels to provide, as appropriate, financial results, updates on strategy, leadership and governance, and information on our approach to sustainability and other social issues.

Our priorities

Walmart's environmental, social and governance (ESG) priorities include economic opportunity, sustainability, and local community, as well as good governance.

For each priority, we have set out aspirations, goals and timelines, as well as specific programs for achieving them, through our business and philanthropic initiatives. The highlights for opportunity, sustainability and community are provided below. For a discussion of our governance approach, please see page 49.

WALMART'S ASPIRATIONS	KEY PRIORITIES	MAJOR PUBLIC COMMITMENTS*
Opportunity: Increasing economic opportunity in retail		
Providing great jobs and inclusive advancement in retail	**Great jobs and advancement for Walmart associates:** Offering job design, wages and benefits, scheduling practices and job-relevant training such as Pathways and Walmart Academy	By 2025, Walmart will put millions of associates through focused training programs to equip them with skills to improve career prospects and move to jobs with greater responsibility and higher pay
	Fostering inclusion: Recruiting, engaging, retaining and advancing women and people of color at Walmart	Formal commitments through Catalyst CEO Champions for Change; CEO Action for Diversity and Inclusion; and Paradigm for Parity
	Retail opportunity across the sector: Building and expanding adoption of effective and innovative approaches to retail training and advancement	$100 million philanthropic commitment (launched 2015) from the Walmart Foundation and Walmart to make it easier for frontline employees in the retail and adjacent sectors to gain new skills and advance in their careers
Creating economic opportunity for retail suppliers	**Local and diverse suppliers:** Supporting investment in American jobs, Women's Economic Empowerment, supplier diversity and market access for smaller producers in emerging markets	Walmart pledged to purchase approximately $250 billion in products that support the creation of American jobs between 2013 and 2023 Source $20 billion from women-owned businesses over five years (completed January 31, 2017)
Sustainability: Enhancing sustainability of our operations and product value chains		
Enhancing sustainability in our operations	**Energy and waste:** Working toward our aspirational goal to be powered by 100 percent renewable energy and to create zero waste in Walmart's operations	By 2025, reduce emissions in our own operations by 18 percent (science-based target); source half our energy needs from renewable sources By 2025, achieve zero waste using the Zero Waste International Alliance definition in our own operations in Canada, Japan, the U.K. and the U.S.; halve food waste within our Canada, Japan and U.S. operations

WALMART'S ASPIRATIONS	KEY PRIORITIES	MAJOR PUBLIC COMMITMENTS*
Enhancing sustainability in product value chains	**20x25:** Enhancing sustainability of commodities such as seafood, produce, meat, dairy, row crops, palm oil, soy, paper, textiles	By 2025, expand and enhance sustainable sourcing to cover 20 key commodities
	Worker dignity: Setting expectations for suppliers to operate responsibly, while leveraging our size and scale to lead industries toward positive change and address industry-wide issues in higher-risk supply chains	By the end of 2026, we want responsible recruitment to be the standard business practice for employers throughout the global supply chain
	Environment: Project Gigaton™—engaging suppliers on renewable energy and energy efficiency, waste reduction, deforestation, packaging, sustainable agriculture and product design to lower the emissions in use	By 2030, work with suppliers to reduce emissions by 1 gigaton from global value chains By the end of 2020, source 100 percent sustainable palm oil in accordance with the principles of the RSPO or equivalent standards in global private brand products, and source pulp/paper products and Brazilian beef and soy with zero net deforestation By 2025, achieve 100 percent recyclable packaging in Walmart private brand
	Safer and healthier products: Enhancing healthier food choices, promoting food safety, fostering animal welfare and advancing sustainable chemistry	By 2022, aim to reduce the footprint of Priority Chemicals in the U.S. Walmart and Sam's Club assortments by 10 percent
	Transparency: Driving industry-wide improvement through the Sustainability Index, encouraging disclosure across supply chains and providing better product information to customers	In FY2017, we reached our goal, set in 2012, of buying 70 percent of our U.S. goods from suppliers that participate in the Sustainability Index, in categories where the Index is available
Community: Strengthening local communities		
Strengthening local communities	**Relieving hunger:** Strengthening the charitable meal system, extending the reach of hunger relief and nutrition programs, and mobilizing customers and associates to alleviate hunger and encourage healthy eating	Between 2014 and 2019, provide 4 billion meals to people in need through grants from Walmart and the Walmart Foundation and food donations from Walmart stores, Sam's Club locations and distribution centers
	Providing disaster relief: Responding to disasters and investing to improve preparedness and speed of response in communities	In FY2017, Walmart and the Walmart Foundation pledged $25 million in cash and in-kind donations to support disaster preparedness and relief through 2020
	Supporting veterans: Offering jobs at Walmart and Sam's Club to those who have served or who are currently serving and supporting programs such as AmericaServes to help them transition into communities	Offer a job at Walmart or Sam's Club locations to any eligible honorably discharged U.S. veteran who has been discharged since Memorial Day 2013. Commit to hire 250,000 veterans by 2020 Between 2014 and 2019, commit $20 million from Walmart and the Walmart Foundation to support U.S. veterans' reintegration to civilian life
	Local giving: Local cash and in-kind donations, associate giving and volunteerism, and customer cause campaigns (e.g., for hunger, disaster)	

**To see our progress on these commitments, go to 56.*

Opportunity

INCREASING ECONOMIC OPPORTUNITY

At Walmart, we believe that retail can be a powerful engine for economic mobility, both for our own associates and for workers across the sector. That opportunity can also extend to workers around the world, in all their diversity, who create the products that fill store shelves. We are committed to helping make retail and the retail supply chain a place of inclusive opportunity, where our jobs and purchase orders can help people build a better life for themselves and their families.

Retail opportunity at Walmart

Walmart U.S.'s average full-time field hourly wage as of March 2018 is **$13.99**

We're committed to helping associates at all job levels acquire the skills they need to advance.

In 2015, Walmart began methodically investing in our associates, based on our workforce philosophy of stability and mobility.

In the area of stability, for example, we have increased pay and strengthened benefits for full- and part-time hourly associates in the U.S. We believe that when employees have stability in areas like pay, advanced scheduling, paid time off (PTO), maternity and paternity leave, they're better able to take advantage of the education and training opportunities we offer. Our efforts include:

- Starting wage for all hourly associates in the U.S. is $11 as of February 2018.
- Walmart U.S.'s average full-time field hourly wage as of March 2018 is $13.99.
- U.S. health benefits start at around $26 per pay period; this is roughly half the national average cost for single person coverage (offered to full- and part-time hourly associates who have worked an average of 30 hours per week in the last 12 months).
- We provide up to a six percent match after one year/1,000 hours on the job (offered to full- and part-time hourly U.S. associates).
- 401(k) contributions start on day one with the company. We provide up to a six percent match after one year/1,000 hours on the job (offered to full- and part-time hourly U.S. associates).
- We provide associates with their schedules two weeks in advance, so they can make any necessary arrangements to cover personal or family obligations (offered to full- and part-time hourly U.S. associates).
- Vacation, sick, personal and holiday are all rolled into one PTO program (offered to full- and part-time hourly U.S. associates).
- Maternity and parental leave policy for both full-time hourly (after 12 months of service) and salaried U.S. associates includes 10 weeks of paid leave for maternity and six weeks paid for parental leave—stackable for birth moms, meaning they can put together 16 paid weeks of leave.
- We provide adoption benefits of $5,000 per child (offered to full-time hourly and salaried U.S. associates).

In the area of mobility, **we promoted more than 230,000 people** to jobs of greater responsibility and higher pay in the U.S. in FY2018. Because **we believe that acquiring new job-relevant skills opens up doors for our associates to advance beyond the frontline** (within Walmart or elsewhere), we are investing in employer-based training and development for hourly associates in the U.S.

A significant transformation is underway that's reshaping how retailers interact with customers. Technology is changing how we work, live and shop, and the effects of automation are on everyone's mind. In a world in which new skills are required to meet the rapidly changing demands of customers, we are investing in training for our associates to help meet the increasing expectations of our customers, including the use of technology. By training hundreds of thousands of associates on job-relevant skills through the programs described in this section, Walmart is playing a significant role in upskilling people in the retail sector.

Building foundational skills through Pathways

Our Pathways training program helps associates gain vital retail job skills, including skills in customer service, merchandising, teamwork and communications. The program incorporates both self-paced, computer-based learning and mentoring from supervisors, who are able to provide feedback on job performance and potential career opportunities as the training progresses. More than 400,000 associates have completed Pathways since its inception, and we're seeing higher retention among our entry-level associates as a result.

Building advanced skills through our Academies

Within the last two years, Walmart has opened 183 Academies in the U.S., nearing our goal of 200. Each Academy serves some 25 nearby stores. Using cutting-edge technology in handheld devices and virtual reality, the academies offer two to six weeks of hands-on, immersive learning, combining both classroom study and training on the sales floor. The programs prepare associates for jobs as frontline hourly supervisors, department managers and assistant managers, teaching skills in management, finance and other areas necessary for advancement. As of January 31, 2018, more than 250,000 associates have completed the Academy training program since its inception, and we're seeing higher retention levels among graduates.

Digital literacy, a learning and growing mentality, customer service and problem-solving skills will be important in the future in almost any industry. Our training Academies and Pathways program allow us to provide hundreds of thousands of people the opportunity to develop relevant skills for the present and the future.

Workforce development is one of the biggest issues facing society today. We understand the importance of investing in our workforce and empowering them to advance their own careers through training and technology. We know we don't have all the answers, so we are partnering with others to continue to learn, grow and test new approaches.

Fostering inclusion

Walmart employs more than 2.3 million associates in thousands of communities around the world. We believe it is our people, in all their diversity, and our culture that help make Walmart successful. We value a diverse workforce that represents the nearly 270 million customers who choose to shop with us in-store or online every week. Unique styles, experiences, identities, ideas and opinions help us innovate and win.

We are excited that women represent 30 percent and people of color represent 20 percent of U.S. corporate officers (senior executives) at Walmart, higher than the corporate average based on a study by McKinsey & Company and LeanIn.org. Furthermore, our overall associate representation of women and people of color is well above the EEO's national composite—but we are not satisfied. Just as we're reinventing how we serve customers, we're taking a closer look at how we can improve our hiring and more significantly our promotion of associates with diverse backgrounds. We are committed to creating inclusive environments in every part and at every level of our business.

We envision a workforce that reflects society in its diversity, and we value the talents and differences our associates bring to our company. A variety of perspectives enriches our culture, leads to innovative solutions for our business, enables us to better meet the needs of a diverse customer base and strengthens our business. We seek equity in representation and an inclusive culture, with equal pay for equal work.

While two of these commitments, Catalyst CEO Champions for Change and Paradigm for Parity, focus specifically on increased inclusion for women, we're widening the focus to include people of color and other diverse groups.

Our approach

Our approach is to develop inclusive leaders and an inclusive culture, while also growing the pipeline of women and people of color at every level.

- **Developing inclusive leaders and measuring progress.** Inclusion is central to our culture. One way we encourage it is by reinforcing our culture, diversity and inclusion (CDI) principles—from day one and throughout each associate's career with Walmart. Using engagement survey feedback, metrics and inclusion indices, we're measuring our progress and informing future priorities. Introduced in 2016, our CDI scorecard has proven to be a valuable tool, providing a quarterly, actionable report that is reviewed by senior management.

- **Recruiting, engaging and retaining a diverse workforce.** Our focus on diverse talent in our recruiting process is key to retaining, growing and advancing our associates. For example, we recruit from a wide range of institutions, events and conferences, including those that serve diverse populations, such as Historically Black Colleges and Universities. We also use best practices, such as gender-neutral job descriptions and diverse hiring slates to attract and hire diverse talent.

  But hiring is only one part of the equation. The corporate pipeline, starting from entry-level and leading all the way to the C-suite, needs better representation from women and people of color if we are to move beyond the status quo.

- **Our Culture.** Diversity of markets, customers, ideas and talent is driving the need for inclusion as a stronger leadership capability. Inclusive leaders are curious, courageous and live the culture. They embrace individual differences and use them to strengthen their teams.

  Recognizing and addressing unconscious bias is key to developing inclusive leaders, so we have been providing training in this area.

  In another example, one tool we have used to enhance both associate engagement and retention is our Associate Resource Groups (ARGs), established more than 12 years ago. The ARGs offer associates an opportunity to network, build relationships, find development opportunities and make a positive impact in our company and the community. Our seven ARGs include Advocates for Disability Awareness and Education; African American Business Resource Group; Asian Pacific Associates Network; Hispanic Latino Associate Resource Group; PRIDE LGBT group; Tribal Voices Native American group; and Women's Resource Council.

WOMEN REPRESENTATION

55% Total U.S. workforce

43% U.S. Management

30% U.S. Corporate officers

55% U.S. hourly promotions

44% U.S. management promotions

PEOPLE OF COLOR REPRESENTATION

44% Total U.S. workforce

32% U.S. Management

20% U.S. Corporate officers

46% U.S. hourly promotions

37% U.S. management promotions

INITIATIVE	COMMITMENTS
Catalyst CEO Champions for Change	• Accelerate progress in the representation of women and women of color in executive/senior level positions over five years. • Accelerate representation of women on Board of Directors within five years. • Strengthen the pipeline of women through an annual deep dive of internal diagnostics and leverage best practices. • Benchmark and track inclusion and strengthen the culture of inclusion within the organization. • Share key metrics with Catalyst for benchmarking and reporting aggregate progress.
CEO Action for Diversity & Inclusion	• Continue to make our workplaces trusting places where complex—and sometimes difficult—conversations about diversity and inclusion are possible. • Implement and expand unconscious bias education. By helping our employees recognize and minimize their blind spots, we aim to facilitate more open and honest conversations. • Share both best practices and practices that were unsuccessful. • Create accountability systems within our companies to track our own progress and to share regular updates with each other, in order to catalog effective programs and measurement practices.
Paradigm for Parity	• Minimize or eliminate unconscious bias. • Significantly increase the number of women in senior operating roles. • Measure targets at every level and communicate progress and results regularly. • Base career progress on business results and performance, not on presence. Identify women of potential and give them sponsors as well as mentors.
Pay Equity	• Pay employees fairly and equitably regardless of their personal demographic (such as race or gender).

Retail opportunity across the sector

We believe that frontline retail jobs can be a launch pad for mobility and advancement—a place where the barriers to getting a job are low and people from all backgrounds can quickly develop the skills to advance.

The sector's unique strengths give it the potential to be an even more effective workforce incubator. First, retail provides broad access to stable, entry-level jobs. Second, retail workers learn valuable skills starting from day one; technology and innovation, for example, are integral to frontline jobs. Finally, these skills can lead to advancement both in retail and in adjacent sectors. As of January 31, 2018, more than three-quarters of our store management teams started as hourly employees.

With this in mind, three years ago Walmart and the Walmart Foundation launched the Retail Opportunity Initiative, a five-year, $100 million philanthropic effort aimed at improving both the reality and the perception of frontline retail jobs in the U.S. as a pathway to advancement.

In 2015, Walmart and the Walmart Foundation launched the **Retail Opportunity Initiative**, a **five-year, $100 million** philanthropic effort aimed at improving both the reality and perception of frontline retail jobs in the U.S. as a pathway to advancement

Through the end of FY2018, Walmart and the Walmart Foundation have invested more than $80 million in grants and collaborated with leading nonprofits, employers, government agencies and educational institutions to identify and implement innovations aimed at increasing the economic mobility of retail and related-sector workers. As we work to accelerate mobility, we are focusing on three key strategies:

- Raising the profile of retail as a sector of opportunity
- Building effective and innovative approaches to retail training and advancement
- Engaging retail employers to improve the ecosystem

$80 million+
invested to date

- **Raising the profile of retail as a sector of opportunity.** By funding insightful research and engaging thought leaders at industry forums, Walmart and the Walmart Foundation are working to reset assumptions about frontline retail jobs, in part by improving the quality of job training and increasing opportunities for advancement so the sector can truly become a launch pad for career development. For example, Walmart made a grant to FSG to conduct a scan of secondary research to identify and synthesize promising approaches for improving frontline youth employees. FSG identified four evidence-based strategies that work. In addition, we are collaborating with groups such as Aspen Institute and Rework America whose efforts are focused on increasing opportunity.

- **Building effective and innovative approaches to retail training and advancement.** Walmart is investing in training and other initiatives that help retail workers develop the skills that will enable them to advance within the sector or in adjacent sectors. To date, Walmart and the Walmart Foundation have provided funding for training or related services such as coaching or tech tools to more than 50,000 prospective and current retail workers beyond Walmart—supporting innovative new approaches that can enhance the economic mobility of workers. For example, the Walmart Foundation supported New Venture Fund's Employment Technology Fund, which is a significant pool of capital that facilitates the growth and success of companies and/or nonprofits aiming to bring technology-enabled solutions to address the major barriers faced by low-income adults in the U.S. who are inhibited by labor market mobility, many of whom are women, minorities or immigrants.

- **Engaging retail employers to improve the ecosystem.** We believe that a stronger, more highly skilled frontline workforce will lead to greater opportunity for workers and stronger communities. Grantees of the initiative are working with other retail employers to design jobs, training programs and promotion practices that support career advancement for the frontline workforce. For example, in Phoenix, Walmart invested in the Center for the Future of Arizona to launch RetailWorksAZ, aimed at helping frontline entry-level workers advance in their careers. RetailWorksAZ brought together the Retail Employer Network, a local talent development network for retailers, and workforce and education stakeholders who are partnering to support skill acquisition and wrap-around services such as childcare.

Investing in American jobs

$250 billion
in products supporting
American jobs
through 2023

Walmart uses its purchase orders, supplier relationships and philanthropy to promote innovation and growth in local manufacturing.

Initiative could create as many as
1 million
new U.S. jobs

≈250,000
direct manufacturing jobs and
≈750,000
indirect jobs

In 2013, we launched a major initiative in the U.S., with the goal of purchasing an additional $250 billion in products supporting American jobs through 2023. From drinkware to charcoal grills, from tires to giftwrap, suppliers are expanding the manufacturing and assembly of products in the U.S. According to Boston Consulting Group, 1 million new U.S. jobs could be created through the Investing in American Jobs Initiative, including direct manufacturing job growth of approximately 250,000, and indirect job growth of approximately 750,000 in the support and service sectors.

To raise awareness of our initiative and encourage suppliers to identify new product opportunities, Walmart hosted the fourth annual Open Call for new U.S. made products in June 2017. Entrepreneurs from 47 states participated in 686 meetings at the 2017 Summit.

Inclusive sourcing: Supporting growth of diverse businesses and small producers

As a global retailer, we see firsthand the astonishing diversity among our customers and communities in different countries, from diverse-owned businesses to women smallholder farmers. We are committed to using the power of our purchase orders to support these suppliers with training and improved access to markets. Our efforts include the following:

Supporting diverse suppliers

- **Empowering women-owned businesses.** Walmart's five-year global Women's Economic Empowerment (WEE) Initiative, which concluded in 2017, provided training and supported diversity and inclusion in the supply chain. As part of the initiative, Walmart sourced an additional $20 billion from women-owned businesses in the U.S. and increased sourcing from women-owned businesses globally. We continue to source and report sourcing from women-owned businesses.

FY2018 spending with diverse-owned businesses

$10.5 billion
Merchandising direct spend

+

$1.04 billion
Professional services direct spend

+

$2.4 billion
Tier II indirect spend

=

$13.94 billion
Total supplier diversity economic impact

U.S. Walmart and Sam's Club

Of the **$13.94 billion** total supplier diversity spend,

$4.3 billion

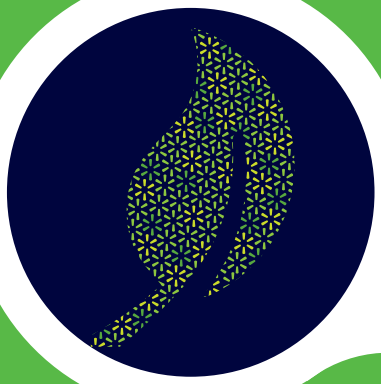
was sourced in products and services from women-owned businesses

- **Helping diverse suppliers grow.** In the U.S., Walmart and Sam's Club sourced over $13.94 billion from diverse suppliers in FY2018 alone—creating economic opportunity that exceeds the total revenue of many national retailers. Walmart merchants use many approaches to build relationships with diverse-owned businesses, including hosting potential suppliers at our annual Open Call. The event helps potential suppliers understand our Every Day Low Cost and Every Day Low Price strategy, so they can pitch more relevant products at competitive prices. In another example, Walmart has provided 60 scholarships to diverse business owners to attend the Tuck Executive Education Program at Dartmouth College since 2008. The goal is to help build high-performing, diverse-owned businesses.
- **Providing opportunity to small producers in emerging markets.** Walmart helps develop smaller producers in emerging markets through programs such as Adopta Una Pyme and Una Mano Para Crucer in Mexico and Central America, and Massmart's Supplier Development Programme in South Africa. Additionally, in India, Walmart has launched Sunhara Prayas, a farmer market readiness project, in Sitapur district of Uttar Pradesh.

This project is aimed at enhancing the income of more than 500 farmers, 25 percent of whom will be women, engaged in mango and banana cultivation and is implemented in partnership with the Indian Society of Agribusiness Professionals.

The Walmart Foundation complements these business efforts through its philanthropic programs. Between 2011 and 2016, the Walmart Foundation funded training for more than 1 million small- and medium-scale farmers, more than half of whom were women.

More recently, the Foundation has invested to improve market access for farmers and small- and medium-sized businesses in priority regions, including India, Mexico and South Africa. For example, in India, the Andhra Pradesh Farmer Market Readiness Project with Agribusiness Systems International aims to improve market participation for 15,000 small-scale farmers by providing improved access to infrastructure, training and expanded access to financing.



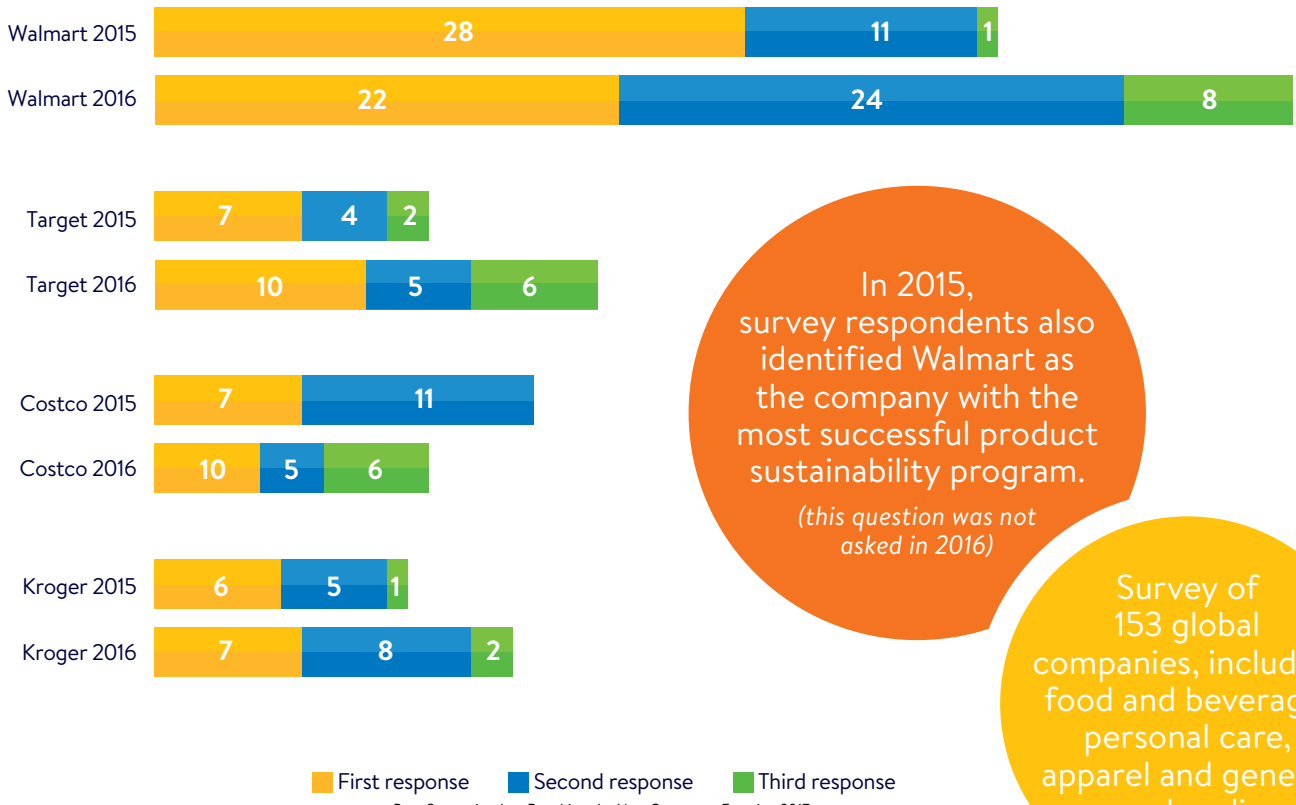
Sustainability

ENHANCING SUSTAINABILITY IN RETAIL OPERATIONS AND VALUE CHAINS

According to The Sustainability Consortium, the retail value chain is responsible for 60 percent of all greenhouse gas emissions, 80 percent of all water use and 66 percent of all tropical deforestation. Furthermore, some chains are tied to social concerns regarding worker safety and forced labor. As the global population grows to 9.5 billion people by 2050, all of whom will need food, apparel and other household goods, even more pressure will be placed on the planet and the people who manufacture such goods. We need change on a massive scale. As a large international retailer, Walmart is recognized as a leader in sustainability, not only in our own operations, but in working with hundreds of suppliers, NGOs and others to improve the sustainability of product supply chains.

According to a survey conducted by Pure Strategies, consumer companies say Walmart is the retailer that most inspires them to invest in their own sustainability programs

Name the top five retailers in order of importance driving your organization to invest in product sustainability



Pure Strategies, Inc. Reaching the New Corporate Frontier. 2017.

In 2015, survey respondents also identified Walmart as the company with the most successful product sustainability program.

(this question was not asked in 2016)

Survey of 153 global companies, including food and beverage, personal care, apparel and general merchandise.

Sustainable operations

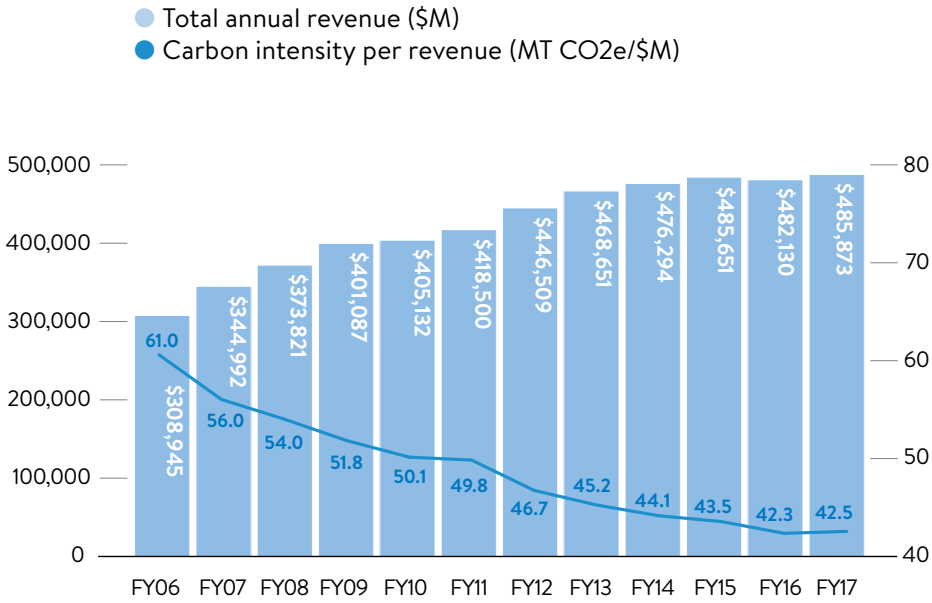
Within our own operations—which includes our stores, clubs, distribution centers, truck fleet and data centers—we have been focused since 2005 on reducing our footprint through our aspirations to source 100 percent renewable energy and eliminate waste. Previously we have reported our progress, including doubling our fleet efficiency between 2005 and 2015. Today we are doubling down on these priorities.

First, in alignment with the UNFCCC's Paris Agreement, we became the first retailer to set a science-based target for emissions reduction. Under the approved plan, Walmart will work on improvements in areas such as energy efficiency, refrigeration systems and fleet efficiency, and pursue its commitment to source half of the company's energy needs from renewable sources, to achieve an 18 percent emissions reduction in our own operations by 2025 compared to 2015 levels. Today, renewable sources supply an estimated 28 percent of our electricity needs globally. This includes more than 500 projects across nine countries, 16 U.S. states and Puerto Rico.

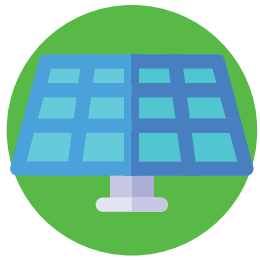
Second, we are working across all of our global markets to address and eliminate waste in our operations, with a particular focus on food waste and packaging. We have committed to achieve zero waste to landfill from our operations in key markets (U.S., U.K., Canada and Japan) by 2025. Seventy-eight percent of global waste was diverted from landfills in 2017*; 755 million pounds of food donated to organizations that distribute it to people in need globally. But we're going further to look at the interplay of waste and usable materials, and to start to "close the loop" toward a circular economy.

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

Carbon intensity (Scope 1 and 2) vs. revenue



Fiscal year runs Feb. 1 – Jan. 31



According to the U.S. Environmental Protection Agency Green Power Partnership and the Solar Energy Industries Association, as of 2017, Walmart ranks **1st** for total number of sites using on-site solar, 2nd for total on-site solar power usage.

What began as an offset for store real estate development has turned into the largest private-sector land conservation program in U.S. history.

In 2005, Walmart collaborated with the National Fish and Wildlife Foundation to help establish the Acres for America program. The program began with an initial 10-year, $35 million commitment to purchase and preserve one acre of wildlife habitat in the U.S. for every acre of land developed by the company. We have surpassed that initial goal by a factor of 10, with more than 1.3 million acres protected—an area comparable in size to Grand Canyon National Park. This equates to 10 acres of wildlife habitat preserved for every one acre used for development.

The Green River in western Wyoming flows through ranchland permanently protected by Acres for America, a conservation program funded by Walmart and led by the National Fish and Wildlife Foundation. (Photo credit: Rita Donham, Wyoming Aero Photo)

Sustainable product value chains

Our aspirations for sustainable product chains go beyond addressing risk to include reshaping value chains for significant and lasting improvement.

Driving continuous improvement: The Sustainability Index

We aim to drive continuous improvement in the value chain by engaging with our suppliers and others, supported by the Sustainability Index.

Product supply chains span multiple categories and products, from cell phones to canned soup. They often involve many different suppliers and organizations affected by many different sustainability issues at different stages of product production.

The Sustainability Index, a science-based, third-party tool that was developed in collaboration with universities, civil society and suppliers, provides visibility into the social and environmental practices and outcomes for a large number of supply chains. The Index gathers data on key sustainability performance indicators for specific supply chains. Walmart uses the Index with our suppliers in over 100 product categories, ranging from socks to salmon. Last year, in these categories, over 70 percent of our assortment came from suppliers who participate in the Index.

As an example of the Index in action, the chart below illustrates the "category scorecard" for consumables suppliers. The Walmart consumable buyer can use this scorecard to help identify sustainability improvement opportunities for individual suppliers and spotlight specific issues for category-wide initiatives, such as sustainable chemistry and sustainable packaging design.

Example of how we use the sustainability index: Consumables, health and wellness—top 10 supplier category scorecard

	Priority chemicals			Packaging			Deforestation		Index
	Disclosure	Chemicals management programs	Ingredient evaluations	Sustainabile design	Raw material—end of life	How2Recycle label (Y/N)	Fiber sourcing/ certifications	Palm oil sourcing	Participation
Supplier A	🟡	🟢	🟢	🟢	🟡	Y	🟡	🟡	🟢
Supplier B	🟢	🟡	🟢	🟡	🟡	N	🟢	🟢	🟢
Supplier C	🟢	🟡	🔴	🟡	🟡	Y	🟢	N/A	🟢
Supplier D	🟢	🟢	🟡	🟡	🟡	N	🟡	🟡	🟢
Supplier E	🟡	🟡	N/A	🟡	🟡	Y	🟢	N/A	🟢
Supplier F	🟡	🟡	🟡	🟡	🟡	Y	🟢	🟡	🟢
Supplier G	🟡	🔴	N/A	🔴	🔴	Y	🔴	N/A	🟢
Supplier H	🟡	🟢	🟡	🟡	🟡	N	N/A	🟢	🟢
Supplier I	🟢	🟢	🟢	🟡	🟡	Y	🔴	🟡	🟢
Supplier J	🟢	🟢	🟡	🟡	🟡	N	🔴	🟡	🟢

Accelerating whole-system change through special initiatives. We also engage in special initiatives that aim to make system-wide, step function improvements in the sustainability of product value chains in terms of four priorities: supporting the dignity of workers everywhere; reducing environmental impact (especially climate, waste and natural capital); providing access to safer, affordable and healthier products and promoting measurement and transparency. The capabilities of the private sector are unique and complement what governments and civil society can do. As a large omnichannel retailer, our capabilities include our associates, jobs, purchase orders, supplier relationships, technologies, store network and our logistics infrastructure. We have the ability to help create market-based solutions—where behaviors that result in better environmental and social outcomes are also the behaviors incented by the market.

In the following pages, we have highlighted examples of initiatives in each of our sustainability priority areas, as well as described our 20x25 initiative to improve end-to-end sustainability of key commodities. See our complete Global Responsibility Report for more detail on these and other initiatives.

SUSTAINABILITY PRIORITIES	EXAMPLE INITIATIVES
Supporting worker dignity	*Factory worker safety; responsible recruitment*
Reducing environmental impact	*Project Gigaton™*
Providing affordable, safer and healthier products	*Sustainable chemistry*
Supporting measurement and transparency	*Blockchain pilots*

The Index currently covers **125 categories, over 1,800 suppliers and 300 buyers across Walmart, Sam's Club and Walmart.com.** In the categories covered by the Index,

70 percent

of our goods come from suppliers who have participated in the Index.

Worker dignity: Factory workers and responsible recruitment

Walmart's supply chain reaches more than 100,000 suppliers around the world. While some supply chains are generally subject to effective regulation and oversight, others can present higher potential risks to worker dignity. In 1992, we formally launched our Responsible Sourcing program to establish our expectations for suppliers and their facilities to operate sustainably and responsibly in a way that protects worker dignity. As of January 2018, we have nearly 190 Responsible Sourcing associates around the world working with our suppliers to make a positive difference for workers in the supply chain.

As a retailer, our relationship is with the suppliers from whom we purchase products, and our strength is in leveraging those supplier relationships to promote positive supply chain conditions. We set our expectations for our suppliers and those that supply to them through our Standards for Suppliers. From there, we take a risk-based approach to monitoring supply chain conditions, focusing audits on those geographies with greater potential risks—as those are the places where efforts are most likely to have an impact. These audits, particularly in higher-risk geographies, provide us and our suppliers with important information to help address potential issues and make a positive impact for workers and communities. In FY2018, in accordance with our approach of focusing on areas of higher risk, we reviewed and assessed compliance with our Standards for more than 13,000 audits.

Walmart also investigates certain alleged violations of our Standards for Suppliers. In FY2018, our Responsible Sourcing team opened over 500 cases involving allegations of supply chain misconduct. Each allegation is reviewed and can be referred to our Responsible Sourcing investigations team or other compliance teams within Walmart. In addition, we began a new process in 2017 of direct supplier engagement on issues where a formal investigation may not be warranted. This process typically includes a discussion regarding the allegations, a clarification of expectations, and review, approval and follow-up with the supplier on a corrective plan. Between May 2017 and the end of January 2018, Walmart engaged with more than 60 suppliers through the issue response process.

We also work with our suppliers and engage with our peers and key stakeholders to lift the entire field of responsible sourcing through training, auditor standardization and collaboration. For example, over the past year, Walmart and other stakeholders—including third-party audit firms, companies who rely on social compliance audits, audit programs and NGOs—established the Association of Professional Social Compliance Auditors (APSCA). The association's objective is to enhance trust and raise standards for auditors in the social compliance industry. To that aim, APSCA is developing and operating a competency and conduct certification process for social audit professionals. This year, APSCA developed a Code of Professional Conduct, created a Competency Framework for Auditors, and began piloting the certification process.

However, we are also mindful that while supply chain monitoring and supplier engagement are effective strategies to reduce and mitigate risk, they only go so far. In some cases, we see a need for whole system transformation, which may involve going deeper in supply chains where the social risks are potentially higher, the challenges are the result of systemic failures and the solutions may not be readily apparent. After reviewing risks in a number of supply chains and geographies, we have committed to collaborating with stakeholders to address major potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025. As of January 31, 2018, we are focused on the following four chains:

- **Apparel in Bangladesh**
- **Produce in the United States and Mexico**
- **Seafood in Thailand**
- **Electronics in Malaysia and China**

While each chain is different, and our interventions are by necessity tailored, our approach typically includes business initiatives and philanthropic investments that:

- Identify key stakeholders and thought leaders to collaboratively engage to develop solutions
- Enhance transparency into worker conditions and progress, using data and tools in new ways, including enabling worker voice
- Engage governments to advocate for laws and regulations that are well-formed and enforced

Responsible recruitment

Walmart and other companies and organizations have identified forced labor and human trafficking as a major risk to worker dignity. In some cases, lack of government prioritization, unreported victims, culture and economic factors can contribute to the risk of forced labor and

Walmart has a large and geographically dispersed supply chain that stretches to more than **100,000 suppliers** around the world

trafficking; migrant workers are particularly vulnerable to unethical recruitment practices and worker debt generated primarily from fees charged by labor brokers. Because these risks cross national and industry boundaries in various sectors, addressing them requires coordination among business, government and nonprofit organizations.

We want responsible recruitment to be the standard business practice for employers throughout the global supply chain within a decade. That's why we joined the Leadership Group for Responsible Recruitment, where, over the next two years, we will join fellow Leadership Group members to help create demand for and availability of ethically recruited workers in Thailand and Malaysia, as well as to advocate for better government regulation of recruitment agencies.

We are highly engaged in coalitions to promote responsible recruitment and confront additional root causes of forced labor and trafficking through practical business and philanthropic initiatives. For example, Walmart is also a member of the Seafood Task Force, an international and multistakeholder initiative established by seafood processors, feed producers, buyers, retailers and NGOs, to address issues surrounding forced labor conditions and illegal fishing in the Thai seafood supply chain. To date, the Seafood Task Force has created supply chain maps, established a system to track products across the supply chain, worked with government and industry stakeholders to improve regulation and codes of conduct, and championed fishery improvement projects. The task force's board of directors includes a representative from Walmart's Responsible Sourcing team; members of Walmart's Merchandising team, Corporate Affairs team and Sustainability team participate on various working groups to advance the collaborative work of the Seafood Task Force.

In addition, the Walmart Foundation funded the Responsible Business Alliance Foundation to help transform the market for responsible recruitment practices by providing labor recruitment agencies with training assessments and pathways to certifications. Additionally, a Walmart Foundation grant to Issara Institute is supporting a data collection project to better understand the costs of recruitment for workers in the seafood sector in Southeast Asia.

KEY ALLIANCE PROGRESS*:

- **All 700+ Alliance-affiliated factories** have undergone independent inspections.
- To date, **234 factories** have completed their Corrective Action Plans.
- Across all factories, **85 percent** of issues requiring remediation have been addressed.
- **80 percent** of items that are most critical to life safety, such as reinforcing structural columns, installing fire doors and installing sprinkler systems, which are often the most costly and time-consuming to address, have been completed.

**From the Alliance's Fourth Annual Report, November 2017*

No one solution and no one organization can eradicate the problem; it will take mutual commitment from all stakeholders.

Factory worker safety

We are also concerned about worker safety, particularly in the apparel sector in Bangladesh. In 2013, Walmart was a founding member of the Alliance for Bangladesh Worker Safety. The Alliance has fostered a safety-focused environment for workers through extensive fire safety training and access to a 24-hour, confidential helpline to report safety and other job-related concerns. According to the Alliance's fourth annual report, since the Alliance started training and oversaw issue remediation, workers have experienced fewer facility accidents, and there have been no deadly incidents related to fire, structure or electrical issues in factories where the Alliance has lead remediation. Additionally, according to the report, the Alliance has trained more than 1.5 million factory employees on initial fire safety and over 1 million factory employees on refresher fire safety training.

Reducing environmental impact: Project Gigaton™

Greenhouse gas (GHG) emissions are the leading contributor to the rapid rise of global temperatures and climate change. With 90 percent of our total GHG emissions coming from our supply chain, we know we can and should do more to eliminate and reduce emissions. That's why Walmart launched Project Gigaton™ in 2017, a platform inviting suppliers to join us in a commitment to reduce emissions from our collective value chains by 1 billion tons—a gigaton—by 2030 as part of our Scope 3 Science-Based Target.* Achieving this ambitious goal would be the equivalent of removing 211 million passenger vehicles from the road for a year, according to the EPA's greenhouse gas equivalency calculator.

Work with suppliers to reduce emissions by

1 gigaton by 2030

*For more on Project Gigaton™, go to: walmartsustainabilityhub.com

ProjectGigaton™

Referred to as "corporate America's moonshot" by the Environmental Defense Fund, we identified six areas in which our suppliers can choose to take concrete actions to reduce emissions. Each of these builds on initiatives Walmart has already successfully taken on with suppliers, such as our 20 million metric ton initiative, which included sustainable agriculture, consumer product innovation and energy efficiency. To support suppliers further, Walmart launched a digital toolkit to help them establish emission reduction projects and to make commitments as part of Project Gigaton™.

To date, over 400 suppliers have formally signed on to the project.

"Climate solutions can only be achieved at scale when governments, businesses and individuals come together to create lasting change. Walmart's science-based commitment to work with partners and suppliers to avoid a gigaton of emissions creates the kind of platform we need. Along with We Are Still In, Project Gigaton™ signals to consumers that we are taking steps to protect our children by reducing the risks that climate change could bring."

Carter Roberts, President and CEO, World Wildlife Fund.

In the first year of reporting, more than 200 of these suppliers reported emissions reductions that totaled over **20 million** metric tons. Their efforts spanned all six pillars of Project Gigaton™.

Project Gigaton™ covers six pillars,

each of which represents a way to reduce emissions in product supply chains. The following describes each pillar and provides examples of similar efforts Walmart has already been taking with suppliers to reduce emissions. Project Gigaton™ will expand on and extend the impact of such efforts.

1 Energy

We encourage suppliers to reduce energy-related emissions in two ways. The first way is to reduce energy demand through optimization and efficiency. The second way is to transition to energy sources that are renewable and emit little to no carbon.

More than 70 percent of our China-sourced business volume is produced in factories that participate in the Walmart Factory Energy Efficiency Program, achieving the commitment we made in 2014. Through this program, Walmart has promoted the use of McKinsey & Company's Resource Efficiency Deployment Engine (RedE), a web-based tool designed to help suppliers identify, prioritize and implement energy efficiency projects. **At the close of 2017, more than 800 factories have joined the RedE system; active users report saving more than $40 million in total operational costs and reducing 270,000 metric tons in total CO2 equivalent emissions. This program will continue to help suppliers set and achieve Project Gigaton™ targets.**

2 Waste

Food, product and material waste in factories, warehouses, distribution centers and farms is associated with greenhouse gas emissions. When waste is reduced and diverted instead of put in a landfill, it can increase efficiency and lower costs. We also support the United Nations Sustainable Development Goal of reducing global per capita food waste by half at the consumer level by 2030, as well as reducing food loss along production and supply chains while maximizing the value of the waste that remains. We encourage suppliers to reduce or eliminate waste from operations, and address post-harvest losses at the farm level, standardize date labeling, introduce innovations that extend food shelf life and educate customers about measures to prevent food waste.

According to the U.N.'s Food and Agriculture Organization, one third of the food produced in the world gets lost or wasted. This is bad for people, their wallets and the planet. Confusion over date labeling significantly contributes to food waste in the average home; we have led on standardizing date labeling across our own private brand products. Walmart and Sam's Club worked with our private brand suppliers to convert to a "Best If Used By" date label terminology on the packaging to provide clear and consistent information to customers. Today, over 92 percent of private brand products sold in the U.S. are using the standard date labeling language, unless a food safety or regulatory reason prevented us from doing so.

3 Packaging

Making packaging more sustainable by sourcing sustainable materials, optimizing design to reduce the amount of material used and supporting recycling is a clear way to lower emissions. We are asking companies to commit to a goal specific to any or all of these areas: 1) safely optimize design, 2) source sustainably and/or 3) support recycling.

In 2016, Walmart released our Sustainable Packaging Position Statement and Playbook which provides best practices, additional guidance and resources to help suppliers safely optimize design, source sustainably and support recycling. We're also working directly to help consumers recycle. **In FY2018, over 100 Walmart private label suppliers signed up for the How2Recycle label** (compared to only 17 in FY2017), and over 1,900 SKUs received the How2Recycle label (compared to only 28 SKUs in FY2016).

Also, to increase recycling capacity, Walmart and the Walmart Foundation, along with a coalition of other corporate and foundation partners, helped launch the Closed Loop Fund in 2014. **The Closed Loop Fund reports that it has deployed $30 million in capital to 15 projects.** They have a co-investment of 3:1 and have brought $95.3 million of public and private co-investment to these projects. This has resulted in a total of $125.4 million invested (CL Fund loans plus co-investment) in recycling infrastructure.

Agriculture

By pursuing best practices in areas such as manure management, enteric emissions, feed inputs and other activities in animal agriculture, along with fertilizer optimization in crop production, we estimate there is a potential to reduce 300 million metric tons of GHG emissions by 2030; while at the same time reducing waste and improving yield. We are asking companies to commit to reducing emissions at the farm level.

4

Walmart has already been working with many of our suppliers over the past five years to support efforts to **optimize fertilizer use on 34 million acres of land by 2025.** In addition, as part of our engagement with the Midwest Row Crop Collaborative, **we supported the enrollment of over 100 demonstration farms in the Soil Health Partnership**, an organization helping farmers use tools to identify, test and measure management practices for improving soil health.

Product use and design

Consumer use is an important part of a product's life cycle. Designers, manufacturers and brands have a unique opportunity to help customers be more sustainable by delivering more efficient and innovative products to store shelves; specifically, products that help customers lower the GHG emissions associated with their enjoyment of a product. Often, these products also save customers money on operating costs. We are asking companies to commit to improving the in-use energy efficiency of their products.

6

Walmart has collaborated with suppliers in the past on consumer-product innovation that has helped consumers reduce emissions—such as working with GE to popularize CFL and LED light bulbs.

Deforestation

According to Conservation International, nearly half of the world's forests have already been lost, and continuing deforestation accounts for more than 10 percent of annual global GHG emissions caused by humans. Walmart invites suppliers to join us in working to reduce deforestation through innovative sourcing strategies and the use of technology to increase transparency and supply chain accountability. We also support regional efforts and certifications to reduce forest loss and deliver more sustainable commodities.

5

As we invite our suppliers to reduce emissions by preventing deforestation, **Walmart has also committed to achieving zero net deforestation by 2020 for higher-risk, key commodities such as Brazilian beef and soy, as well as our private brand palm oil, pulp and paper.** In 2015, we achieved our goal to sustainably source 100 percent of our global private brand palm oil. In Brazil, we supported the Soy Moratorium, and in our efforts to source beef from the Amazon region with zero net deforestation we use a geospatial transparency tool—Our Brazilian Beef Monitoring System. Our work has since expanded to cover all sensitive biomes in Brazil.

In an effort to continually promote transparency and traceability across our supply chains, Walmart joined the World Resources Institute and 20 other companies in 2017 to launch a partnership for building a global decision support tool to monitor deforestation, which we believe our suppliers will find useful to support their own efforts to halt deforestation. The tool—called Global Forest Watch Pro—is an online platform that provides companies, banks and other stakeholders with data and tools for monitoring global forest loss due to the production of key commodities like palm oil, soy and Brazilian beef. The system will be able to plot the location of thousands of farms, production facilities and municipalities and provides alerts to track environmental risks such as tree-cover loss and fires.

Providing safer, healthier food and other products: Sustainable chemistry

U.S. Walmart and Sam's Club aim to reduce chemical footprint of Priority Chemicals by **10 percent by 2022** in our formulated consumable products.

When we talk about rewiring systems, our work on sustainable chemistry is a great example of systemic change. Walmart's sustainable chemistry commitment, originally launched in 2013, covers approximately 90,000 personal care and household products, from 700 suppliers, sold by Walmart and Sam's Club in the U.S. Last year, we announced that Walmart suppliers achieved a cumulative reduction of 96 percent of High-Priority Chemicals by volume weight since 2014 from formulated consumables. According to the Environmental Defense Fund, that is more than 11,000 tons or 23 million pounds of chemicals.

We expanded our commitment to ask for a 10 percent reduction of Priority Chemicals in the consumables products we sell at U.S. Walmart and Sam's Club locations by 2022. We are also working to leverage technology to provide real-time information to our customers. Since 2013, Walmart has asked all suppliers to provide full online public ingredient disclosure for formulated consumable items sold at U.S. Walmart and Sam's Club locations. We have also asked suppliers to disclose Priority Chemicals, or all ingredients, on pack beginning in 2018. For private label, we have started listing ingredient information on Walmart.com and Samsclub.com, and we ask national brands suppliers to list product ingredients on their own websites.

Our approach:

- ***Measuring our chemical footprint***
- ***Improving our chemical footprint***
- ***Driving innovation with collective action***
- ***Creating transparency with certifications and disclosure***
- ***Seeking certifications when available***
- ***Helping customers find more sustainable products***

Supporting measurement and transparency: Blockchain pilots

Consumers want to know more and more about the products they buy—such as their origins and ingredients, their potential health impacts and the environmental and social profiles of their supply chains. We agree and think transparency is a fundamental piece of customer trust.

We are working to promote greater supply chain transparency to include item-level traceability in a number of different ways including testing new and emerging technologies and collaborating with our suppliers. For example, we are requesting suppliers to disclose chemicals in personal care and household products and asking them to disclose their sustainability practices through the Sustainability Index.

One technology that holds a lot of promise for enabling a new era of transparency and enhanced trust is blockchain. Last year, Walmart collaborated with IBM to explore its application for enhanced food safety. Two use cases where we have piloted the technology with IBM are encouraging and indicate real potential to add trust, efficiency and transparency to the food system:

- In 2017, we asked a team to trace a package of sliced mangoes back to their source using current methods. Because of paper-based record keeping commonly used in the industry and multiple layers in produce supply chains, it took six days, 18 hours and 26 minutes. By using blockchain, we were able to trace a mango in a U.S. store back to its origin on a farm in Mexico in 2.2 seconds. Such capability would help enable rapid processing of recalls and help limit potential exposure to affected products.
- We also ran a blockchain pilot in China on pork, one of the country's most important protein sources. We gathered information such as farm origination, batch numbers, factory and processing data, expiration dates and shipping details. Here too, we dramatically reduced the time needed to trace products back to the farm.

Today, we have a coalition comprised of both suppliers and retailers, including Danone, Dole, Driscolls, Golden State Foods, Kroger, McCormick, Nestle, Tyson, Unilever and Walmart to identify new areas where the global supply chain can benefit from blockchain.

We were able to trace mangoes in a U.S. store back to Mexico in

2.2 seconds

20 sustainable commodities by 2025

A key challenge facing the world is how to sustainably produce an increasing volume of food and products to meet the needs of an expanding global population. Walmart is committed to meeting this challenge by working with others to support production that is sustainable for people and the planet and affordable for customers.

To focus our efforts, we have identified over 20 key commodities to source more sustainably by 2025—what we call "20x25." Our initial commodities include fresh produce, such as grapes, bananas and tomatoes; animal agriculture; seafood; specialty commodities like coffee, tea and cocoa; row crops; apparel/textiles; and household and personal care products. These commodities face issues across the spectrum of Walmart's four sustainable product chain priorities:

- ***Supporting worker dignity***
- ***Reducing environmental impact***
- ***Providing affordable, safer and healthier products***
- ***Supporting measurement and transparency***

We chose our initial list of commodities based upon business risk and opportunity (e.g., size, supply security, cost issues, reputation risk, potential to differentiate, etc.); the nature and magnitude of environmental and social issues (as suggested by Sustainability Index data and feedback from stakeholders); and Walmart's ability to convene suppliers and others to promote change. For each commodity, Walmart is working to understand the current state of the supply chain and is developing a strategy to enhance sustainability. We then work with stakeholders to promote action to help address major social and environmental hot spots while creating shared value.

EXAMPLE INITIATIVES WALMART IS PURSUING WITH SUPPLIERS AND OTHERS

Product Categories	Responsible sourcing	Environment	Safer and healthier products	Transparency
Produce	• Setting expectations for responsible labor practices with suppliers • Helping align industry associations around a common approach to responsible labor practices • Encouraging responsible recruitment practices • Collaboration with industry stakeholders	• Upstream and downstream food waste reduction • Sourcing sustainably • Sustainable package design and recycling • Protected growing environments • New varietals that enhance customer experience, improve yields and decrease environmental impacts • Water use efficiency	• Making healthier options more affordable • Making healthier choices easier • Providing nutrition education • Promoting food safety	• Blockchain pilot • Sustainability index • Leveraging Third-party certification
Meat and dairy	• Setting expectations for responsible labor practices with suppliers	• Sustainable feed operations • Better practices in manure management, enteric emissions and feed inputs • Elimination of deforestation due to beef production • Project Gigaton	• Promoting animal welfare and responsible antibiotic use	• Brazilian beef monitoring system • Sustainability index
Seafood	• Collaborating with industry stakeholders • Human trafficking and forced labor in Thailand seafood • Encouraging responsible recruitment practices • Promoting fair labor practices in fisheries and to deter illegal fishing • Helping to promote worker voice • Setting expectations for responsible labor practices with suppliers	• Sourcing more sustainably • Overfishing and Bycatch reduction	• Working with others to increase availability of sustainable seafood supply	• Leveraging Third-party certification • Sustainability index
Packaged food and Row Crops	• Setting expectations for responsible labor practices with suppliers	• Elimination of deforestation due to soy and palm oil production • Fertilizer optimization to improve soil health and water quality • Sustainable package design and recycling • Project Gigaton	• Food reformulation • Investments in recycling infrastructure	• "Great for You" Private Brand labeling in U.S. stores • Leveraging third-party certifications • Sustainability index
Specialty crops	• Setting expectations for responsible labor practices with suppliers	• Sourcing more sustainably • Water use efficiency • Sustainable package design and recycling		• Leveraging third-party certifications • Sustainability index
Consumables	• Setting expectations for responsible labor practices with suppliers	• Reducing use of Priority Chemicals • Elimination of deforestation due to pulp and paper production • Sustainable package design and recycling • Project Gigaton	• Advancing Sustainable Chemistry • Investing in recycling infrastructure • Leveraging third-party certifications	• Encouraging Chemical ingredient disclosure • Sustainability index
Apparel and textiles	• Promoting safer working conditions in ready-made garment industry • Encouraging responsible recruitment practices • Collaborating with industry stakeholders • Setting expectations for responsible labor practices with suppliers	• Factory energy efficiency • Energy and water use in apparel mills • Project Gigaton	• EDLTC products	•Sustainability index •Higg index
General merchandise	• Setting expectations for responsible labor practices with suppliers	• Designing for product efficiency and end-of-life • Project Gigaton • Factory energy efficiency • Elimination of deforestation due to pulp and paper production • Sustainable package design and recycling	• Supporting investments in recycling infrastructure	• Leveraging Third-party certifications

Community

STRENGTHENING LOCAL COMMUNITIES

The local communities where our stores are located and where our customers and associates live are the cornerstones of our business. Strong, vibrant towns and cities that provide convenient access to healthier food, stable jobs and protection in times of catastrophe are essential to building strong local economies that can support our stores and enable our customers and associates to thrive. To support and strengthen those communities, we collaborate with charitable organizations, draw on our expertise in logistics and other areas and enable the engagement of our 2.3 million associates worldwide. Together we are working to strengthen and extend the charitable meal system, provide emergency relief in the face of disaster and improve disaster preparedness, and provide support through local giving in the 10,000 communities around the world where we live and work.

Hunger relief

Hunger is a reality for many families around the world. The United States Department of Agriculture estimates that in the U.S. alone, more than 41.2 million people face food insecurity, which it defines as limited or uncertain access to adequate food. We at Walmart are passionate about fighting hunger and are determined to help break down barriers in the communities where we operate that prevent families from enjoying ready access to healthier, nutritious food.

Walmart and the Walmart Foundation have made significant progress toward the goal we set in FY2015 of providing 4 billion meals over five years to people in need. Since FY2015, Walmart has donated over 2.5 billion pounds of food from Walmart stores, Sam's Club locations and distribution centers in the U.S., including more than 675 million pounds of food in FY2018.

Strengthening the charitable meal system

The charitable food network is only as strong as its infrastructure. Walmart and the Walmart Foundation have provided funds for equipment, trucks and logistical expertise to help organizations on the frontlines of charitable food provision extend their reach and impact. In the U.S., Walmart and the Walmart Foundation work with Feeding America, among other groups. In Canada, one of our grantees is Food Banks Canada, which received a $2.3 million grant from the Walmart Foundation in FY2018.

Since 2005, Walmart and the Walmart Foundation have invested **$100 million** in Feeding America to help fund meals, infrastructure and trucks.

In FY2018, our U.S. associates have volunteered more than **100,000 hours** toward hunger relief.

Mobilizing customers and associates

Walmart works to raise awareness of the issue of hunger by engaging our associates, suppliers and customers in cause marketing programs. In the U.S., our stores teamed up with our customers and participating suppliers to raise more than $19.8 million in FY2018 for Feeding America. Walmart Canada also ran its inaugural Fight Hunger Spark Change campaign in FY2018, helping to secure over 8 million meals for Food Banks Canada.

Extending the reach of hunger relief programs

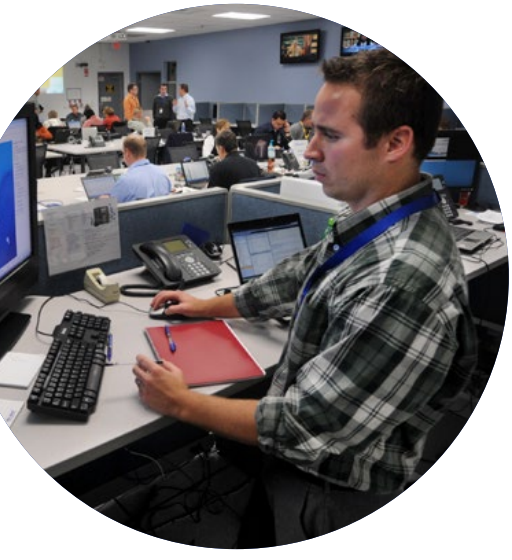
To alleviate hunger, it's critical to provide meals in locations where people gather and to increase access to food benefits—especially for children and the elderly. Walmart China, for example, worked with charitable organizations to mobilize suppliers, customers and associates to raise funds for meals for schoolchildren in high-poverty regions. In the U.S., the Walmart Foundation is investing in programs that help to scale access to federal nutrition programs such as the Supplemental Nutrition Assistance Program (SNAP), which provides resources to families to help them stretch their food budgets.

Encouraging healthier eating

In 2014, Walmart and the Walmart Foundation set a goal of providing nutrition education to 4 million people by 2020. These efforts are focused on encouraging people to prepare meals at home and to increase their consumption of fruits and vegetables. Since making that commitment in 2014, Walmart and the Walmart Foundation have funded nutrition education for more than 3.5 million people.

Disaster relief

In times of disaster, we aim to support the communities in which we do business, as well as the safety and well-being of our associates, by bringing to bear our logistics capability, technology, ability to source products, physical locations, associates and scale.



To provide supplies as efficiently as possible, associates in our Emergency Operations Center collaborate with first responders, nonprofits such as American Red Cross and local, state and federal government agencies. We also support relief efforts with our associates' expertise in logistics and operations. As a disaster response transitions from immediate relief to long-term recovery, Walmart and the Walmart Foundation may provide additional grants to nonprofits working to address longer-term needs, helping to restore normal community life. Since FY2017, Walmart and the Walmart Foundation have surpassed the $25 million commitment by providing over $44 million in preparedness and in response to disasters around the world. Walmart and the Walmart Foundation will continue to support communities through disaster response and preparedness activities, providing aid to those impacted when they need it most.

As with all our efforts, when it comes to disaster work, we aspire to improve entire systems, not just respond in the moment. Walmart and the Walmart Foundation support efforts to help communities respond more quickly and effectively in the wake of disasters. We also invest in technologies and other innovations that help communities better prepare for disasters. For example, Walmart helped the Red Cross build RCView, a technology tool that helps response agencies better gather, analyze and share relevant information to improve situational awareness and collaboration on response and recovery efforts.

Walmart and the Walmart Foundation donated **$38 million** for hurricane relief in FY2018.

Walmart's 2017 Hurricane Response Efforts

With devastating hurricanes hitting the continental U.S. and Puerto Rico in 2017, Walmart and the Walmart Foundation responded with immediate relief efforts to help neighbors, associates and communities recover. As always, these efforts were coordinated by associates in our 24-hour Emergency Operations Center, who collaborated with first responders, nonprofits such as the American Red Cross, and local, state and federal government agencies. Walmart also gave over $35 million to the relief efforts in the Gulf region and Puerto Rico including a two-for-one customer matching campaign to the Red Cross.

Hurricane Harvey

Helped support evacuees in Houston and Dallas shelters with **truckloads of food and water**, as well as board games, TVs, clothing and everyday essentials.

Provided disaster displacement assistance to over **10,000** associates impacted by the disaster.

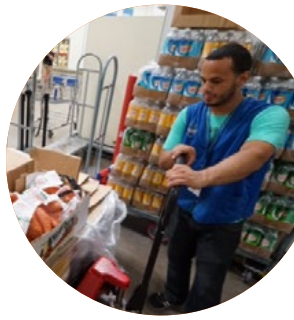
Placed **pharmacy staff in shelters** in the impacted regions to coordinate the delivery of prescription medication and to **provide health counseling to residents**.

Hurricane Irma

Provided disaster displacement assistance to over **40,000** associates impacted by the disaster.

Mobilized **truckloads** of water into impacted areas.

Hurricane Maria



Announced **$2 million** in donations on The Tonight Show with Jimmy Fallon. **One million** of that donation supported Feeding America and the other **$1 million** matched customer donation to the Walmart Hurricane Relief Fund at the Miami Foundation.

Sponsored a relief concert spearheaded by Marc Anthony and Jennifer Lopez in Miami.

Provided disaster displacement assistance to over **13,000** associates impacted by the disaster.

Restored operations to six stores within **24 hours** after impact.

Utilized corporate jets to deliver emergency support and supplies, including much-needed insulin.

Supplied **loads of water, supplies and critical resources, such as generators,** to the island.

Supporting veterans and military families

Veterans bring skills that are of enormous value to our operations and to communities. Because of this, we are committed to aiding their transition to civilian life by supporting those who have served and continue to serve.

Walmart and the Walmart Foundation reached this goal in 2017, bringing our total investment to **$40 million** over the last seven years.

Hiring and promoting veterans.

To aid in the transition to civilian life, Walmart made a commitment in 2013 to offer a job to any eligible, honorably discharged U.S. veteran within 12 months of active duty. We expanded that commitment in 2015 to include any veteran discharged since Memorial Day 2013, and set a goal of hiring 250,000 veterans by the end of 2020. Since Memorial Day 2013, Walmart has hired more than 194,000 U.S. veterans and has promoted more than 28,000 veterans to roles of greater responsibility. In addition to hiring veterans, we are committed to serving military personnel and military spouses. We have a Military Family Promise that guarantees a job at a nearby facility for military personnel and military spouses employed at Walmart and Sam's Club locations when they or their family members are transferred to a different part of the country by the U.S. military. Additionally, when our associates are called away to active military duty or basic training, Walmart promises to pay any difference in their salary if their military assignment pays less.

Reintegrating veterans into local communities.

For returning veterans, reintegrating into civilian life comes with major challenges, including the need to navigate a complex web of resources in job placement, housing, healthcare, education and training. In FY2018, Walmart and the Walmart Foundation completed our commitment to invest $40 million in supporting veterans as they reintegrate into their local communities. As part of our commitment, the Walmart Foundation has committed $6 million to support AmericaServes, an effort of the Institute for Veterans and Military Families that streamlines and digitally connects the veteran services that are available in communities and has created the nation's first coordinated system of public, private and nonprofit organizations. AmericaServes reports having impacted more than 12,800 clients and successfully fulfilled over 24,500 unique service requests since their inception.

Local giving

Walmart aims to strengthen the health of our communities not only by providing access to products, services and jobs through our retail business, but also by facilitating associate volunteerism and local donations from customers.

We believe that strengthening local communities creates a virtuous circle of value for business as well as society. Inclusive, vibrant communities support business growth, which creates additional opportunities for associates. In turn, having associates and customers who are better engaged leads to more inclusive and vibrant communities.

Local giving. We empower our stores, clubs and distribution centers to give back to their local communities. Each year, our U.S. stores and clubs award cash grants to support local priorities. They also mobilize food donations, associate volunteerism and customer donations.

Giving back in our headquarters communities. Walmart has headquarters facilities around the world that support our eCommerce and store operations in 28 countries. We're proud to be a part of and give back to these thriving communities. In FY2018, for example, our home office in northwest Arkansas and our 20 eCommerce facilities, from San Bruno, California, to Hoboken, New Jersey, provided more than $10 million in community grants from Walmart and the Walmart Foundation to local organizations for hunger relief, disaster preparedness, access to arts and recreation for underserved populations and other local community needs.

In FY2018, our U.S. stores and clubs provided more than **$42 million** in local grants

Empowering our associates to give. Our associates and customers around the world contribute their time, passion, expertise and money to local causes. In FY2018, for example, our U.S. associates volunteered more than 850,000 hours to local nonprofits as part of Walmart's Volunteerism Always Pays program, in which Walmart donates to organizations when associates collectively volunteer over 25 hours. Associates also often lend particular expertise, such as technology or logistics—for example, associates serve on dozens of food bank and food pantry boards across North America.

Global giving highlights

Walmart corporate giving and Walmart Foundation programs complement Walmart shared value priorities and include economic opportunity (Retail Opportunity, Inclusion and Market Access programs), sustainable supply chains (Sustainable Commodities and China Food Safety programs) and local communities (Hunger and Healthy Eating, Disaster Relief, Veterans and Local Giving programs). Our giving team develops each philanthropic program strategy based on a system-level theory of change and a theory of action for philanthropy to accelerate social and environmental progress. In many of our grant programs, we support the formation of communities of practice, seeking to promote the sharing of insights and best practices in the field, as well as increasing opportunities for collaboration and collective impact.

$100 million
committed by Walmart and the Walmart Foundation in FY2016 to advance opportunity in retail and related sectors over five years

$22 million
granted in FY2018 for more sustainable supply chains

Since 2014, Walmart donated
2.5 billion
pounds of food in the U.S. alone, as part of a commitment by Walmart and the Walmart Foundation to deliver **4 billion meals** over five years

$330 million
total cash grants in FY2018
(Walmart and the Walmart Foundation)

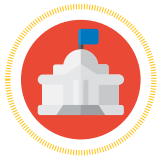
$42 million
in community grants in FY2018

$76 million
raised and donated for disaster relief in FY2018

In FY2017, Walmart and the Walmart Foundation committed
$25 million
to food safety in China over five years.

Governance

STRONG CORPORATE GOVERNANCE IS ESSENTIAL FOR A SUCCESSFUL BUSINESS



Walmart Board

The Walmart Board is a strategic asset for our company, providing expert oversight and governance, helping us deliver shared value and operate in accordance with our values of excellence, integrity, service and respect for the individual. The Board met five times during FY2018 to review significant developments affecting our company, engage in strategic planning and act on matters requiring Board approval.

Our Board regularly reviews our corporate governance policies and practices against other companies across industries, consulting with corporate governance experts and other stakeholders to continuously improve our approach. Each year the Board conducts an evaluation process under the leadership of our lead independent director, and every other year the Board engages a third-party consulting firm to bring an outside perspective.

Board leadership structure

Our Board leadership comprises three distinct positions and roles: Chairman, Lead Independent Director and CEO. Our Chairman, Greg Penner, focuses on Board oversight and governance, presides over meetings of the Board and shareholders, and counsels the CEO and other officers on our business and operations. Our Lead Independent Director leads the annual Board evaluation process, reviews Board and committee agendas, presides over meetings of our outside and independent directors, and performs additional duties (recently expanded and more clearly articulated in our Corporate Governance Guidelines).

The Lead Independent Director is elected annually by the independent directors of the Board. Separating the roles of Chairman, Lead Independent Director and CEO enhances Board independence and allows our CEO, Doug McMillon, to focus on leading our complex business: the CEO is responsible for the general management, supervision and control of the business and general affairs of our company, including the execution of Board directives and resolutions (the roles of CEO and Chairman have been separate since 1988).

Our Board has seven standing committees:

1. ***Audit Committee***
2. ***Compensation and Management Development Committee (CMDC)***
3. ***Executive Committee***
4. ***Global Compensation Committee***
5. ***Nominating and Governance Committee***
6. ***Strategic Planning and Finance Committee***
7. ***Technology and eCommerce Committee***

The majority of our directors are independent, in accordance with the requirements of the New York Stock Exchange (NYSE). The NYSE Listed Company Rules permit certain governance exemptions for "controlled companies," but Walmart has never sought and has no plans to rely on those governance exemptions because we believe having a majority independent board promotes the long-term interests of our shareholders. For example, the primary oversight of strategic and governance matters for our company is entrusted to Board committees that are chaired by independent directors. Each of the Audit Committee, the Compensation and Management Development Committee, and the Nominating and Governance Committee are comprised solely of independent directors, and the Strategic Planning and Finance Committee and the Technology and eCommerce Committee are each chaired by independent directors. These committees play a critical role in our governance and strategy, and each committee has access to management and the authority to retain independent advisors as it deems appropriate.

Each committee is governed by a written charter that outlines its specific roles in our company's governance. The Nominating and Governance Committee provides oversight and guidance to Walmart Corporate Giving, as well as Walmart's environmental, social and governance (ESG) strategies, commitments and progress covered in the 2018 Global Responsibility Report at https://corporate.walmart.com/2018grr.

Executive compensation

The CMDC annually reviews executive compensation, benchmarking pay rates for fairness and competitiveness relative to peer companies, and aiming for an appropriate link between pay and performance, including Walmart's diversity goals and our values. Walmart recently made changes to compensation to better reward strong performers and encourage Named Executive Officers (NEOs) to balance short-term results and long-term performance; see the full 2018 Global Responsibility Report for more details. Several important notes regarding executive compensation:

- Approximately 70 to 75 percent of our NEO pay is based on achieving established performance objectives.
- Associates subject to our culture, diversity and inclusion goals program have 10 percent of their annual performance evaluation tied to diversity and inclusion and can have their annual cash incentive reduced by up to 30 percent if they violate our discrimination and harassment policies.
- CMDC may reduce or eliminate NEO annual cash incentive for failure to meet annual compliance objectives.

Board composition

As we have noted elsewhere in this report, globalization, technology, shifting demographics and other societal trends are reshaping customer needs and the competitive context. A diverse leadership team, including a diverse board, is a priority for us, enabling us to better serve our customer, deliver strong business performance and create a high-performing, engaged associate base.

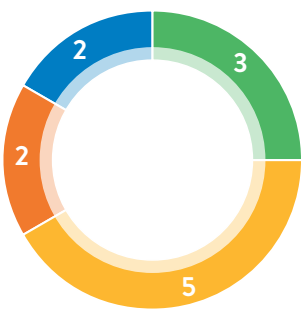
Our shareholders elect our directors annually. Unlike most other large public companies, our Corporate Governance Guidelines include a 12-year term limit generally applicable to our independent directors. Our Board believes this approach provides discipline to our overall Board refreshment process. We aim for a mix of expertise in governance, strategy, business development, operations, sustainability and human capital development; backgrounds in retail, technology/eCommerce and marketing and brand management; as well as experience in finance, accounting or financial reporting, regulatory experience and legal skills. To ensure fresh and diverse perspectives, we also aim for balance in terms of tenure, age, gender and racial composition. As of February 2018, three members of our Board (25 percent) are women, and five (40 percent) are under 50.

In November 2017, the Board approved an amendment to our bylaws and adopted a market standard proxy access provision.

View our most recent proxy statement on at our corporate website at stock.walmart.com.

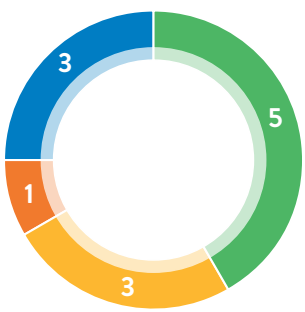
Board composition as of February 2018

Tenure (Avg. 8.1 years)



0-3 years
7-10 years
4-6 years
10+ years

Age (Avg. 53 years)



<50 years
60-69 years
50-59 years
70-75 years

Gender

Women
Men

How we operate around the world

Culture is the foundation of everything we do at Walmart. We define culture as our values in action. It's how we deliver superior customer service, create a great frontline work environment and improve performance in order to achieve our common purpose of saving people money so they can live better.

The Walmart culture is one of high performance, and it is how we live out our values of Service to the Customer, Respect for the Individual, Strive for Excellence and Act with Integrity through our everyday behaviors that help us deliver business results and create a culture of inclusion.

Although we operate in 28 countries, source product from more than 100 countries, and employ over 2 million associates with a variety of ethnicities, orientations, backgrounds and life experiences, we expect ourselves, suppliers and contractors to consistently champion our culture and values, treating all people with respect; act with personal integrity; and comply with the laws of the communities in which we operate.

Walmart respects the right of workers to join, form or assist a trade union, or refrain from doing so as those rights are defined under applicable national law and practice in the countries in which Walmart operates and from which Walmart sources the products it sells. Those basic rights are informed by the ILO's 1998 Declaration on Fundamental Principles and Rights at Work which

The Walmart culture is one of high performance, and it is how we live out our **Values of Service to the Customer, Respect for the Individual, Strive for Excellence and Act with Integrity** through our everyday behaviors.

include freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

Whether we are hourly associates or managers or senior officers, we are all associates. We value our culture of open, honest and direct dialogue among all associates, at all levels of the company. Through that dialogue, we strive to enable associates to enjoy the freedom to express opinions to anyone, including management, in confidence when appropriate, on workplace concerns, ideas for improvement and new opportunities to make the business more successful.

We are also committed to upholding human rights in supply chains by promoting safe, healthy and coercion-free work environments though our Standards for Suppliers and Responsible Sourcing programs. We also operationalize our values through a number of additional standards and practices described elsewhere in this report (regarding ethics, compliance and sustainability to name a few).

Finally, a major aspect of how we operate around the world is our comprehensive approach to engaging stakeholders on an ongoing basis, as well as periodically, to help shape our strategies, standards and programs. Please see our stakeholder engagement section for a discussion of the issues our stakeholders have prioritized, and how we engage them.

OUR ASSOCIATE FREEDOM OF ASSOCIATION POSITION:

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

Ethics and compliance

Sam Walton, founder of Walmart, told us that integrity "has to start with each of us." He wanted his company to be a force for good in the community. Over 50 years later, we have grown to operate more than 11,700 stores in 28 countries and eCommerce businesses in 11. Walmart has been one of the world's largest private employers since 1999 and now has 2.3 million associates. Each week we serve nearly 270 million customers worldwide.

Our success enables us to make life more affordable for customers around the world and also improve the lives of people who grow or make the products we sell, but it also creates a unique challenge: For Sam Walton's values to permeate and animate a world-wide business, all of our associate must know and follow our high ethical standards.

To that end, we have been reshaping Walmart's ethics and compliance program over the last five years. We established an integrated, worldwide structure to enhance transparency and accountability. We built processes, aided by innovative technology systems, to reinforce that acting in the right way is part of the company culture. And we are taking similar steps to promote integrity with our many suppliers and vendors, particularly those that interact with governments for us.

As our business grows around the globe, Walmart continues to develop, refine and enhance our ethics and compliance program to keep pace with that growth. We reach customers both online and in stores in markets around the world, which requires focused ethics and compliance practices. Our program addresses 14 key areas of relevance to the changing retail sector, including industry-leading efforts in anti-corruption, food safety and responsible sourcing.

"In 2017, Walmart elected to participate in Ethisphere's World's Most Ethical Companies process. We were impressed by the breadth and caliber of the program and practices Walmart has put in place and commend their efforts to provide effective guidance to employees around the globe."

Michael Bryne, Senior Vice President at Ethisphere

Cybersecurity and data privacy

In recent years, cybersecurity and data privacy practices have risen to the top of the corporate agenda as the risks of cyberhacking have become more urgent. At Walmart, protecting our customers' personal information as well as the integrity of our own operations is of the highest priority.

We have developed a program designed to protect the global enterprise, based on the National Institute of Standards Framework for Improving Critical Infrastructure Cybersecurity. We have also established defined procedures for responding in the event of a breach, including when and how to engage with internal management, stakeholders and law enforcement. Our program includes the following elements:

- **Technology:** We employ a layered "defense, detect and respond" strategy, using multiple technologies designed to make it more difficult to defeat any one system and raising the likelihood that we will detect and respond to an attack.
- **Benchmarking and external engagement:** To help Walmart remain on the leading edge of information security, we benchmark our security practices against other organizations with similar risk profiles and are active in the information security community.
- **Third-party assessments:** We engage a range of outside experts to regularly assess our organizational security programs, processes and capabilities.
- **Internal assessments:** Our internal teams also regularly test and improve our information systems through such mechanisms as security risk and compliance review, user access campaigns and other strategies.

Our Privacy program rests on our Walmart and Sam's Club privacy policies, which govern our treatment of customer data in both our offline and online U.S. Walmart and Sam's Club retail environments. Our policies provide explanations of the types of customer personal information we collect, how we use and share that information and the measures we take to protect the security of that information. Our policies provide multiple points of contact through which our customers may initiate inquiries and raise concerns to us regarding our collecting, sharing and use of their personal data.

ESG commitments and progress

As of Fiscal Year End 2018, unless otherwise noted

PRIORITIES (COMMITMENTS NOTED AND ITALICIZED)	METRIC	RESULTS
Opportunity		
Providing great jobs and advancement		
Walmart associates	People employed, globally	2.3 million
	People employed, U.S.	1.5 million
Compensation and benefits (U.S.)	U.S. average full-time hourly wage	$13.99—effective March 2018
	U.S. minimum starting wage	$11.00/hour—effective February 2018
	U.S. quarterly bonuses paid to hourly associates	$625 million
	U.S. paid time off (PTO) for hourly associates (full-time and part-time)	Full-Time Hourly: Up to 304 hours, based on tenure. Associates may roll over up to 80 hours at the end of the year. Any remaining PTO is cashed out and paid back to the associate. Part-Time Hourly: Up to 144 hours, based on tenure. Associates may roll over up to 48 hours at the end of the year. Any remaining PTO is cashed out and paid back to the associate.
	U.S. full-time hourly or salaried paid maternity leave (stackable with parental leave)*	10 weeks—effective March 2018
	U.S. full-time hourly or salaried paid parental leave after 12 months of service*	6 weeks—effective March 2018
	U.S. health insurance for all full- and part-time associates who have worked an average of 30 hours per week over the past 12 months	Starting at around $26/pay period

**Salaried associates—eligible as of hire date/full-time hourly associates—eligible following 12 months of service*

PRIORITIES (COMMITMENTS NOTED AND ITALICIZED)	METRIC	RESULTS
Additional benefits (U.S.)	Store discount (effective after 90 days of employment)	Walmart full- and part-time associates save 10 percent on regularly priced general merchandise and fresh fruits and vegetables at any Walmart store
	401K	Full- and part-time associates can start contributing to their 401(k) on their first day with the company. Walmart provides up to a 6 percent company match after one year/ 1,000 hours on the job.
	Stock purchase	Walmart matches 15 percent of the first $1,800, up to $270 per plan year for full-time associates (age restrictions apply)
Promotions (U.S.)	U.S. associates promoted to jobs of greater responsibility and higher pay	>230,000
Training (U.S.) *Commitment: By 2025, Walmart U.S. will put millions of associates through focused training programs to equip them with skills to improve career growth, from entry-level positions to jobs with more responsibility and higher pay*	U.S. associates trained, Pathways program	>400,000 (cumulative)
	U.S. associates trained, Walmart Academy	>250,000 (cumulative)
	Number of U.S. Academy training facilities	183
Fostering inclusion		
Commitment: Signatory to Catalyst CEO Champions for Change; CEO Action for Diversity and Inclusion; Paradigm for Parity	U.S. associates who are women; people of color	55 percent; 44 percent
	U.S. managers who are women; people of color	43 percent; 32 percent
	Percent of hourly promotions who are women; people of color (U.S.)*	55 percent, 46 percent
	Percent of management promotions who are women; people of color (U.S.)*	44 percent, 37 percent
	U.S. officers who are women; people of color	30 percent; 20 percent
	Percent of Walmart Board who are women	25 percent as of February 2018 (S&P 500 average is 21 percent)
Enhancing retail opportunity across the sector		
Commitment: $100 million philanthropic commitment (launched 2015) from the Walmart Foundation and Walmart to make it easier for frontline employees in the retail and adjacent sectors to gain new skills and advance in their careers of retail and adjacent sector workers	Retail Opportunity grants awarded to date by Walmart and the Walmart Foundation	$80 million

**The methodology for calculating promotions has been refined; under the new methodology the FY2017 stats would have been;*
Percentage of promotions hourly—56% women; 45% people of color
Percentage of promotions management—45% women; 34% people of color

PRIORITIES (COMMITMENTS NOTED AND ITALICIZED)	METRIC	RESULTS
Creating economic opportunity for retail suppliers		
Commitment: Source incremental $250 billion in products supporting American jobs, 2013-2023	Sourcing of products supporting American jobs	On track
Supplier diversity *Commitment: Source $20 billion from women-owned businesses for our U.S. operations through 2016 (beginning in 2011)*	Amount sourced from diverse suppliers FY2018	$13.9 billion
	Amount sourced from women-owned businesses 2011-2016	$21.2 billion, achieved 2016
Commitment: Provide funding through Walmart and the Walmart Foundation and resources to empower nearly 1 million women on farms, in factories, in retail and in workforce through 2016	Women farmers trained 2011- 2017	>678,000
	Women in factories trained 2011-2017	>131,000
	Women in U.S. trained 2011-2017	>249,000
	Women trained in retail in emerging markets 2011-2017	>145,000
Commitment: Provide funding through Walmart and the Walmart Foundation to train 1 million farmers and farm workers, half of whom will be women, in emerging markets by the end of 2016	Farmers trained 2011-2017	>1.2 million
	Women farmers trained 2011-2017	>678,000
Sustainability in retail operations		
Reducing emissions in our operations		
Commitment: Achieve an 18 percent emissions reduction in Walmart's own operations by 2025 (over 2015 baseline); (science-based target)	Change in Scope 1 and 2 absolute emissions since 2015	1.2 percent increase; calendar year 2016; program launched and on track
	Change in carbon intensity, year over year	0.4 percent increase (per revenue); calendar year 2016 0.1 percent increase (per sq ft); calendar year 2016
	Change in carbon intensity globally per total revenue since 2005	30 percent decrease
Scaling affordable, renewable energy		
Commitment: Be powered by 50 percent renewable sources by 2025	Estimated percentage of electricity needs supplied globally by renewable sources	28 percent
Commitment: Drive the production or procurement of 7 billion kilowatt hours (kWh) of renewable energy globally by Dec. 31, 2020—an increase of more than 600 percent versus our 2010 baseline	Total renewable energy produced or procured	2.9 billion kWh
	New renewable generation capacity brought on by Walmart worldwide since 2008 (net new to the grid vs. purchases)	800 megawatts
	Onsite and offsite renewable projects globally	500 in operation or under development in nine countries, 16 U.S. states and Puerto Rico
Commitment: Double the number of on-site solar energy projects at our U.S. stores, Sam's Club locations and distribution centers by 2020, compared with our 2013 baseline	Onsite solar installations in the U.S.	364 installations; more than any other company; on track to reach 500 by 2020

PRIORITIES (COMMITMENTS NOTED AND ITALICIZED)	METRIC	RESULTS
Improving energy efficiency in our buildings		
Commitment: By Dec. 31, 2020, reduce the total kWh-per-square-foot energy intensity required to power our buildings around the world by 20 percent versus our 2010 baseline	Change in global kWh-per-sq-ft energy intensity	12 percent decrease
Maximizing efficiency and safety of our trucking fleet		
Commitment: Double our fleet efficiency, 2005-2015	Change in fuel efficiency of U.S. fleet, 2005-2015	Doubled; achieved in 2015, saving nearly $1 billion
Eliminating waste in our operations		
Waste diversion	Percent of waste materials diverted globally from landfill and incineration[1]	78 percent
Commitment: Achieve zero waste to landfill from our own operations in key markets, including the U.S., U.K., Japan, and Canada by 2025 in accordance with Zero Waste International Alliance guidelines[2]	Percent of waste materials diverted from landfill and incineration per market: Walmart U.S. Walmart Canada Walmart Japan Walmart U.K.	 81 percent 83 percent 78 percent 87 percent
Food donations	Food donated globally in 2017	755 million lbs
Stewarding land		
Commitment: Conserve 1 acre of land for every U.S. acre developed	Acres conserved per acre of land developed through support to Acres for America	10
	Total acres conserved by Acres for America	1.3 million
Sustainability in product value chains		
Enhancing environmental sustainability of key commodities		
Commitment: More sustainably source 20 key commodities by 2025	Commodities more sustainably sourced	Work in progress: we have identified several commodities for work in this area, including shrimp, tuna, coffee, produce (bananas, grapes, tomatoes), beef, corn, wheat, textiles
Seafood *Commitment: By 2025, all Walmart U.S., Sam's Club, ASDA, Walmart Canada, Walmart Brazil, Walmart Mexico, and Walmart Central America fresh and frozen, farmed and wild seafood suppliers will source from fisheries who are third-party certified as sustainable, actively working toward certification or engaged in Fishery Improvement Projects*	Sustainably sourced, according to supplier reports based on Walmart's Seafood policy Wild • MSC or GSSI • Fishery Improvement Project Farmed: BAP or ASC	100 percent sustainable (Walmart U.S. & Sam's Club) 76 percent 24 percent 98 percent <2 percent have plans in place to obtain certification

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

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

PRIORITIES (COMMITMENTS NOTED AND ITALICIZED)	METRIC	RESULTS
Row crops *Commitment: Encourage suppliers to develop fertilizer optimization plans for 14 million acres of U.S. farmland by 2020*	Estimated committed acres reported by suppliers	34 million (fertilizer program and Project Gigaton™)
	Number of suppliers participating	17 suppliers
Soil health Midwest Row Crop Collaboration	Number of demonstration farms in Soil Health Partnership	100 farms
Animal welfare Advancing humane treatment of farm animals in accordance with 5 Freedoms of Animal Welfare	Supplier implementation of video monitoring on sow farms for 100 percent of Walmart U.S. by end of 2018	On track
	Percent of shell eggs at Walmart U.S. and Sam's Club meeting United Egg Producers animal welfare requirements or equivalent	100 percent
Reducing emissions in product supply chains		
Commitment: Will also work to reduce 1 billion metric tons of CO2e emissions from Scope 3 by 2030.[3] (science-based target; Project Gigaton™)	Number suppliers participating	>400 suppliers
	Emissions reductions reported by suppliers	>20 million metric tons
Commitment: Engage 70 percent of our China-sourced business in a factory energy efficiency program by 2017	Percent of China-sourced volume enrolled in the Walmart Factory Energy Efficiency Program	Achieved >70 percent enrolled
	Number of supplier factories enrolled	800 factories
	2017 calendar year annual supplier savings: • Operating expense • CO2 equivalent	 $40 million in total 270,000 metric tons in total
Achieving zero net deforestation		
Commitment: Walmart will source and use RSPO or equivalent-certified palm oil (mass balance and segregated supply chain systems) in 100 percent of Walmart private brand products by 2020	In FY2017, percentage sourced in accordance with principles of RSPO Next or equivalent, according to supplier reported data: • Identity preserved • RSPO segregated • Mass balance • Green Palm certificates FY2018 numbers will be available later this year.	100 percent RSPO 0.4 percent 8.4 percent 39.5 percent 51.8 percent
Commitment: Source 100 percent sustainable beef that is zero net deforestation from all sensitive biomes in Brazil by the end of 2020	Percent of suppliers from Amazon and Cerrado region reporting through Walmart's Brazil's Beef Risk Monitoring System	100 percent
	Number of farms registered in Walmart's Brazil Beef Risk Monitoring System	Over 100,000
	Soy moratorium	Support

3 Avoided and absolute emissions reductions reported by suppliers will be counted toward Project Gigaton™ and will not be differentiated when speaking about Project Gigaton™ publicly. Absolute GHG emissions reductions occur when the overall concentration of greenhouse gases in the atmosphere is reduced, regardless of economic growth. Avoided emissions occur when the impact of an emissions reduction activity is calculated off a "business as usual" scenario and therefore is a positive action but cannot be proven to have lowered the concentration of greenhouse gases in the atmosphere.

PRIORITIES (COMMITMENTS NOTED AND ITALICIZED)	METRIC	RESULTS
Preventing products and packaging from becoming waste		
Customer recycling	Pounds diverted through customer recycling programs at Walmart Argentina, Chile, Japan, Mexico and ASDA in U.K. in 2017	5.7 million lbs collected for recycling
Labeling	Percent private brand suppliers using "Best if Used by" date label terminology in the U.S. unless a food safety or regulatory reason might prevent us from doing so	92 percent
	Number private brand suppliers in How2Recycle program in the U.S.	>100 suppliers
	Number products assessed for recyclability using How2Recycle label in U.S.	>1,900 products
Providing affordable, safer and healthier products		
Commitment: Reduce, restrict and remove use of High-Priority and Priority Chemicals using informed substitution principles	Cumulative percent of High-Priority Chemicals removed by Walmart suppliers from assortment by weight between 2014 and 2016 (Walmart U.S in scope consumable products)	96 percent
Commitment: By 2022, aim to reduce the footprint of priority chemicals in U.S. Walmart and Sam's Club assortments by 10 percent	A progress update will be available later this year	
Commitment: In 2016, Walmart and the Walmart Foundation committed to invest $25 million in projects to advance food safety in China over five years	Percent of $25 million invested in projects to date	On track
Commitment: Improve the nutritional quality of our private brands, including our Great Value brand and national food brands in the U.S. By the end of 2015, compared with 2008 baseline, reduce sodium by 25 percent and added sugars by 10 percent; remove industrially produced trans fats.	Percent ingredients removed by suppliers from private brand packaged food in Walmart U.S. since 2011 • Sodium • Added sugar • Trans fats eliminated	 18 percent (FY2017) 10 percent (FY2017) 100 percent (FY2017)
Supporting measurement and transparency in the value chain		
Commitment: By the end of 2017, Walmart will buy 70 percent of the goods we sell in U.S. stores and in U.S. Sam's Clubs only from suppliers in the U.S., China and around the world who use the Sustainability Index, for categories where the Index is available	Products covered by the Sustainability Index • Sales • Participation rate, where the Index is available • Participation in Index Increase in average scores of KPIs	Achieved 2016 $200 billion 70 percent 1,800 suppliers; 300 buyers 5 percent versus FY2017

PRIORITIES (COMMITMENTS NOTED AND ITALICIZED)	METRIC	RESULTS
Community		
Relieving hunger		
Commitment: Between 2014 and 2019, provide 4 billion meals to those who need them through grants from Walmart and the Walmart Foundation and food donations from Walmart stores, Sam's Club locations and distribution centers	Pounds of food donated	On track
Commitment: In 2014, Walmart and the Walmart Foundation set a goal to provide nutrition education to 4 million people by 2020	Number of people funded for nutrition education (Walmart U.S.)	3.5 million
Providing disaster relief		
Commitment: Between 2016 and 2021, invest $25 million through Walmart and the Walmart Foundation in response and preparedness	Grants awarded to date	>$44 million since FY2017
Supporting veterans		
Commitment: Offer a job at Walmart or Sam's Club locations to any eligible honorably discharged U.S. veteran who has been discharged since Memorial Day 2013. Commit to hire 250,000 veterans by 2023.	Number of veterans hired	>194,000
	Number of veterans promoted	>28,000
Commitment: $20 million from Walmart and the Walmart Foundation over five years to support U.S. veterans (2014-2019)	Grants awarded to date	$20 million
Giving locally		
Local grants	Local grants made by stores, clubs, other facilities in the U.S. FY2018	$42 million
Associate giving	U.S. associate hours volunteered	850,000 hours
	Money donated by Walmart to match volunteerism through the Volunteerism Always Pays program in the U.S.	$8.5 million

Forward-looking statements

This report contains statements that are based on Walmart management's current expectations and beliefs. Walmart believes such statements are "forward-looking statements" as defined in, and are intended to enjoy the protection of the safe harbor for forward-looking statements provided by, the Private Securities Litigation Reform Act of 1995, as amended. Assumptions on which such forward-looking statements are based, including without limitation assumptions regarding Walmart's sustainability goals and programs, are also forward-looking statements. Walmart's results may 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 also include the risks relating to Walmart's strategy, operations and performance and the financial, legal, tax, regulatory, compliance, reputational and other risks discussed in Walmart's most recent annual report on Form 10-K filed with the Securities and Exchange Commission. You should consider the forward-looking statements in this report in conjunction with that annual report on Form 10-K and Walmart's quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. Walmart urges 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 made in this report are as of the date of this report, unless otherwise indicated. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Walmart

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