

# Introduction



**LEADERSHIP LETTERS**

## A Message from our Chief Executive Officer

It was Sam Walton's purpose to help people live better lives. He wanted to help them save money so they could invest in their families and their communities. He wanted to help people build something meaningful and worthwhile and to live a better life. He wanted to leave things better than he'd found them. That's the legacy he left our company, and we remain committed to being a force for good in the communities we serve, all over the world.

For Walmart, this means actively addressing the environmental and societal issues most relevant to our business and stakeholders, and we win when our customers, associates, suppliers, communities, and planet are better off because of Walmart.

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

Throughout our [ESG Issue Briefs](#) and these ESG Highlights, you'll see the ways our commitments build on this foundation. We've focused on four themes that guide our action: Opportunity, Sustainability, Community, and Ethics & Integrity. And at Walmart,

we're doing more than simply managing risks in these areas. Managing risk isn't enough. We have to think differently, and we have to do more. We have adopted a mindset that prioritizes outcomes for business and society — and a regenerative ambition. I'm proud of the ways our team is bringing these principles to life across our business. We're giving back, and we're following Sam's example: we're leaving things better than we found them.

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

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

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

**Doug McMillon**

**President and CEO**  
**Walmart Inc.**





## LEADERSHIP LETTERS

## A Message from our Chief Sustainability Officer

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

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

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

Our environmental, social, and governance efforts center on the themes of opportunity, sustainability, community, and ethics and integrity. Our efforts create shareholder value by creating value for our stakeholders — our customers, associates, suppliers,

business partners, community partners, and even the planet (because as a retailer, our commodity sourcing, facilities, and customer communities depend on healthy ecosystems and climate). We believe that when Walmart creates value for stakeholders, we strengthen our business and deliver value to our shareholders, which allows us to invest in the capabilities to serve our stakeholders even better... propelling a virtuous cycle of shared value. We aim to become a regenerative company — one that not only sustains but strengthens the people and the world around us.

Recent examples illustrate our approach:

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

### Rewiring our business for a low-carbon future:

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

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

**Kathleen McLaughlin**

EVP and Chief Sustainability Officer  
Walmart Inc.

## Awards & Recognition

#3

Fortune Change  
the WorldListed on the  
**2023 Bloomberg  
Gender Equality  
Index**

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

#17

**2023 DiversityInc Top 50  
Companies for Diversity**

#1

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

100%

**2022 Disability  
Equality Index**

For seventh consecutive year

#1

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

For eighth consecutive year

**100% on the 2022 Human  
Rights Campaign's  
Corporate Equality Index****Great Place to Work Certified**  
Walmart Inc. and Sam's Club  
(2023)

# Our Company

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

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

## OUR BUSINESS IN FY2023



Omni-channel retailer serving approximately 240 million customers per week



~2.1 million associates



10,500 stores and eCommerce websites in 20 countries



\$611 billion in revenue

### OUR VALUES

**Respect for the Individual**

**Service to the Customer**

**Strive for Excellence**

**Act with Integrity**

### HOW WALMART CREATES VALUE FOR STAKEHOLDERS

- **Customers:** Convenient access to quality, affordable products and services
- **Associates:** Purpose-driven work; opportunity for good jobs and upward mobility
- **Shareholders:** Strong long-term returns through financial and ESG leadership
- **Suppliers:** Access to customers and support for supplier development and growth
- **Business Partners:** Access to and understanding of engaged customers for our sellers, advertisers, and ecosystem partners

- **Communities:** Resources to build stronger, more inclusive communities
- **Planet:** Leadership on zero emissions, zero waste and our regenerative approach to nature



## OUR APPROACH TO ESG

# Creating Shared Value

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

We believe we maximize long-term value for shareholders by serving our stakeholders: our customers, associates, suppliers, business partners, communities, and even the planet.

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

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

**Read more:** [Our ESG Priorities](#)



## Management of ESG

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

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

Walmart's Chief Sustainability Officer (CSO) helps define the ESG agenda and provides dedicated management and oversight of Walmart's global ESG initiatives and goals. The CSO provides updates to the Walmart executive leadership team and NGC.

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

**Read more:** [ESG Oversight and Management](#)  
[and Corporate Governance ESG Brief](#)

## OUR APPROACH TO ESG

# Our ESG Priorities

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

**For each priority ESG issue, our disclosures aim to:**

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

**Read more:** [Our ESG Priorities](#)



### Opportunity

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



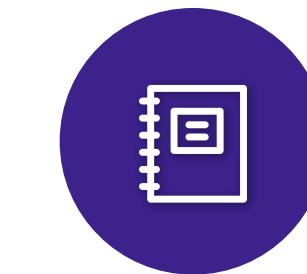
### Sustainability

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



### Community

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



### Ethics & Integrity

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

### Stakeholder Engagement

Our ability to create shared value depends on direct and frequent engagement with our customers, associates, and community leaders, as well as the people who supply our products, hold our stock, and evaluate our performance. Stakeholder perspectives and feedback help improve the relevance and effectiveness of the products and services we offer and the initiatives we support.

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

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

**Read more:** [Stakeholder Engagement](#)

# Opportunity

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

## RELATED ESG ISSUE BRIEFS:

-  [Human Capital: Good Jobs & Advancement for Associates](#) →

-  [Equity & Inclusion at Walmart & Beyond](#) →

-  [Supplier Opportunity](#) →

