

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

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

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

At Walmart, this isn't something sprinkled throughout our business or added on as an afterthought—we strive to use



this approach in all aspects of our business and help guide us. Throughout our journey, we have set goals, measured progress and reported on that progress. And we continually push ourselves, which is why we elevated our aspiration by making a commitment to become a regenerative company—one that puts people and nature at the center of our business practices. This commitment touches all parts of our business. It is anchored in our purpose—and we do that in a way that strives to create equitable opportunity for our associates and suppliers, enhance the sustainability of retail and product supply chains, help create more resilient communities and operate with the highest standards of ethics and integrity.

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

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

It is also at the heart of our work with communities. When disaster strikes, we are there with food, water and helping hands—but we are there every day strengthening communities. Last year, in the U.S. alone, our associates volunteered close to 1,000 hours a day to causes they care about and the

company donated more than \$1.5 billion in cash, food and other products globally. Our experience confirms for us that, when we understand what a community needs and partner with others, we can strengthen the environment to create more opportunities for the people who live there and end up with a stronger business.

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

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

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

A handwritten signature in black ink that reads "Doug".

Doug McMillon
President and Chief Executive Officer
Walmart Inc.



A MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER

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

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

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

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

Progress on rewiring systems for equity. Because advancing equity in society requires transformation of complex systems, our strategies in arenas such as economic mobility, racial equity and human rights in supply chains involve long-term, intensive collaboration with others on business and philanthropic initiatives extending beyond the four walls of our company. Substantial improvements in outcomes may be years in the

making. Yet we are encouraged by emerging shifts in mindsets, practices, resource flows and policies within each of these arenas as well as progress within our own company.

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

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

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

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

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

Kathleen McLaughlin
EVP and Chief Sustainability Officer
Walmart Inc.



Our approach to ESG

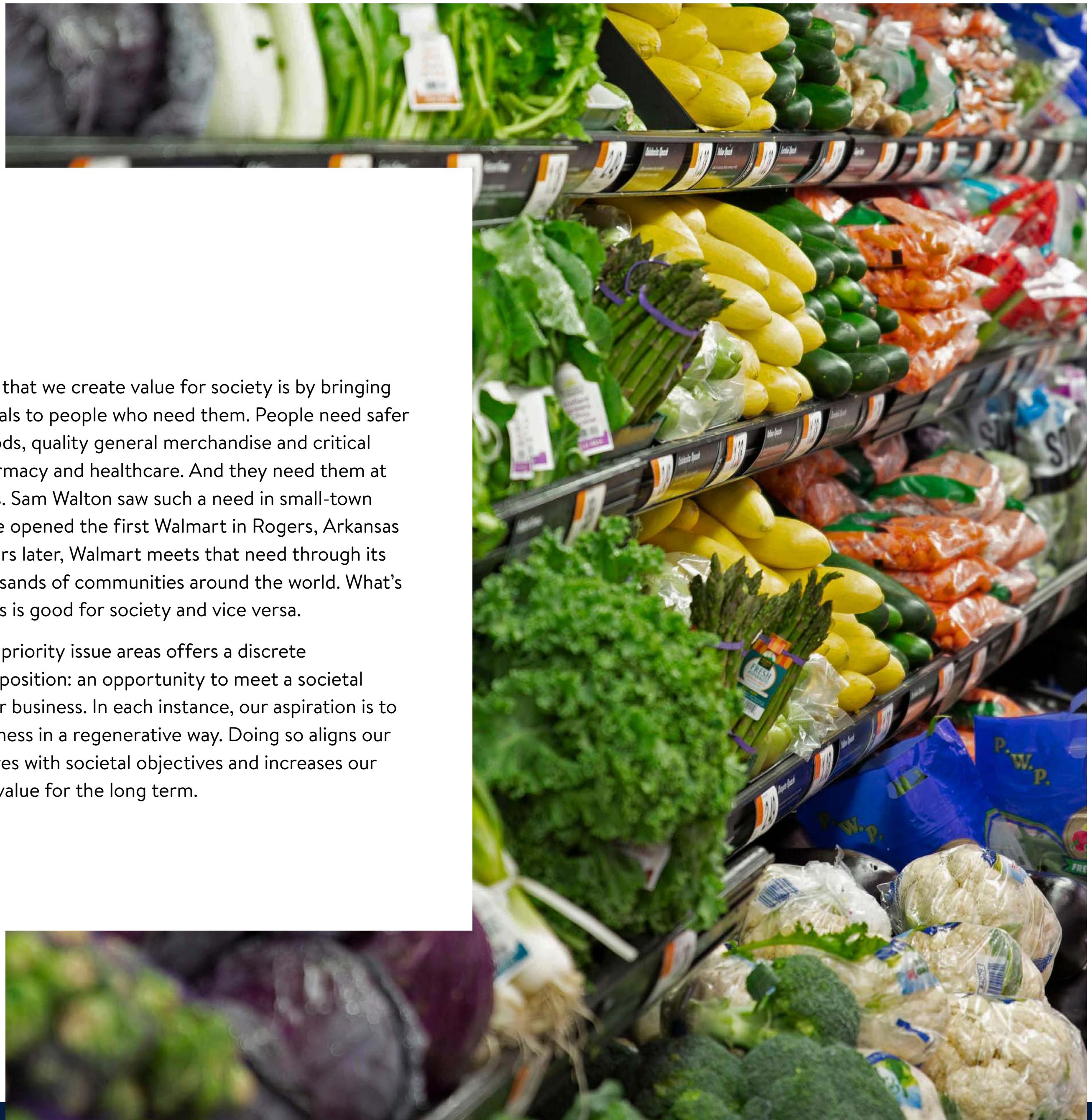
CREATING SHARED VALUE

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

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

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

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





OUR APPROACH TO PRIORITY ESG ISSUES

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

To create change we:

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

→ Read more: [Our ESG priorities](#)

OUR ESG PRIORITIES

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

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

OPPORTUNITY

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

SUSTAINABILITY

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

COMMUNITY

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

ETHICS & INTEGRITY

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

Sustainability

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

Issue briefs

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



Committed to help protect,
more sustainably manage or
restore

50M acres of land 1M sq miles of ocean

by 2030



Product supply chain sustainability

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

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

→ [Read more: Product supply chain sustainability](#)

Example certified commodities²⁹

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

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

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

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

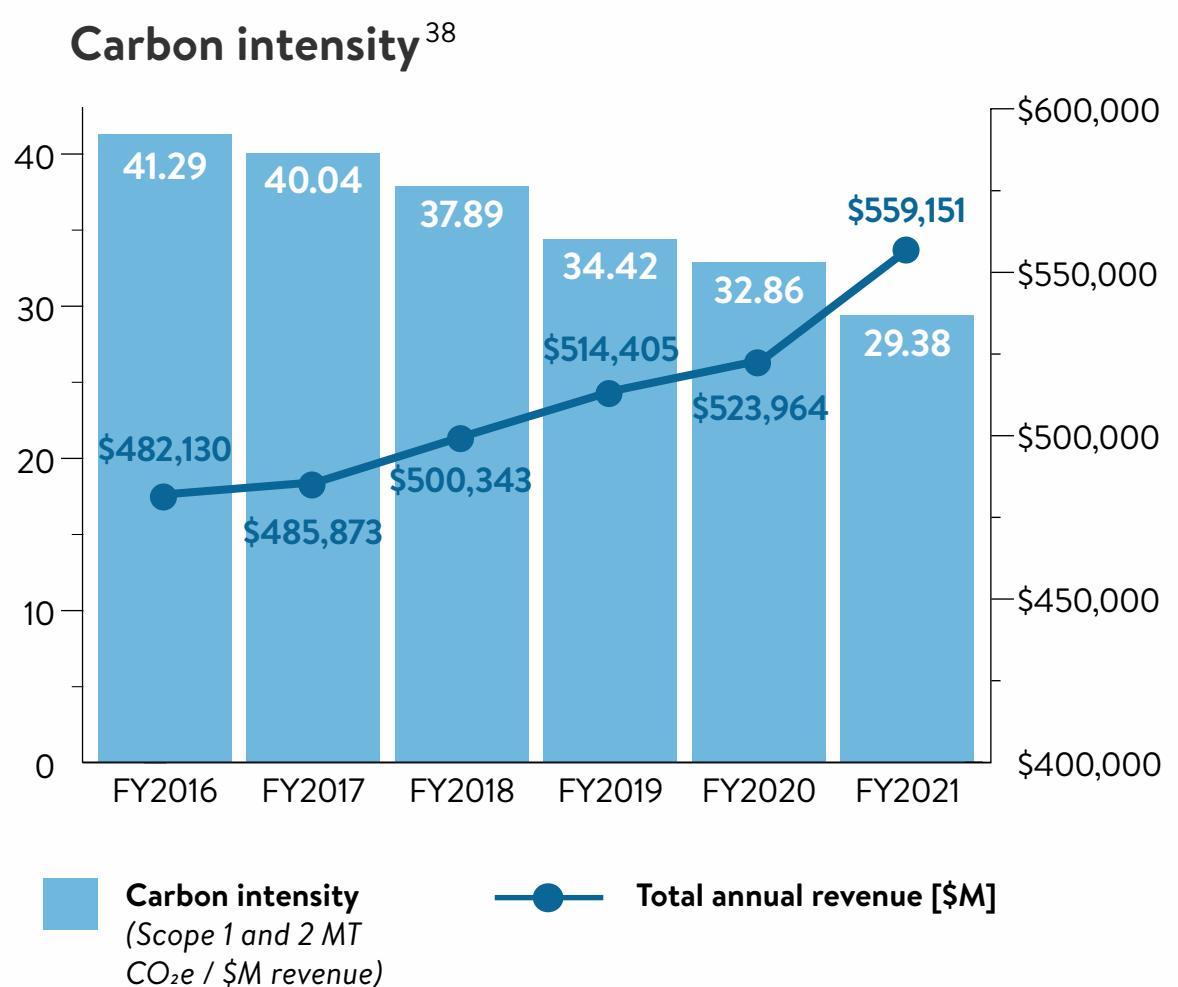
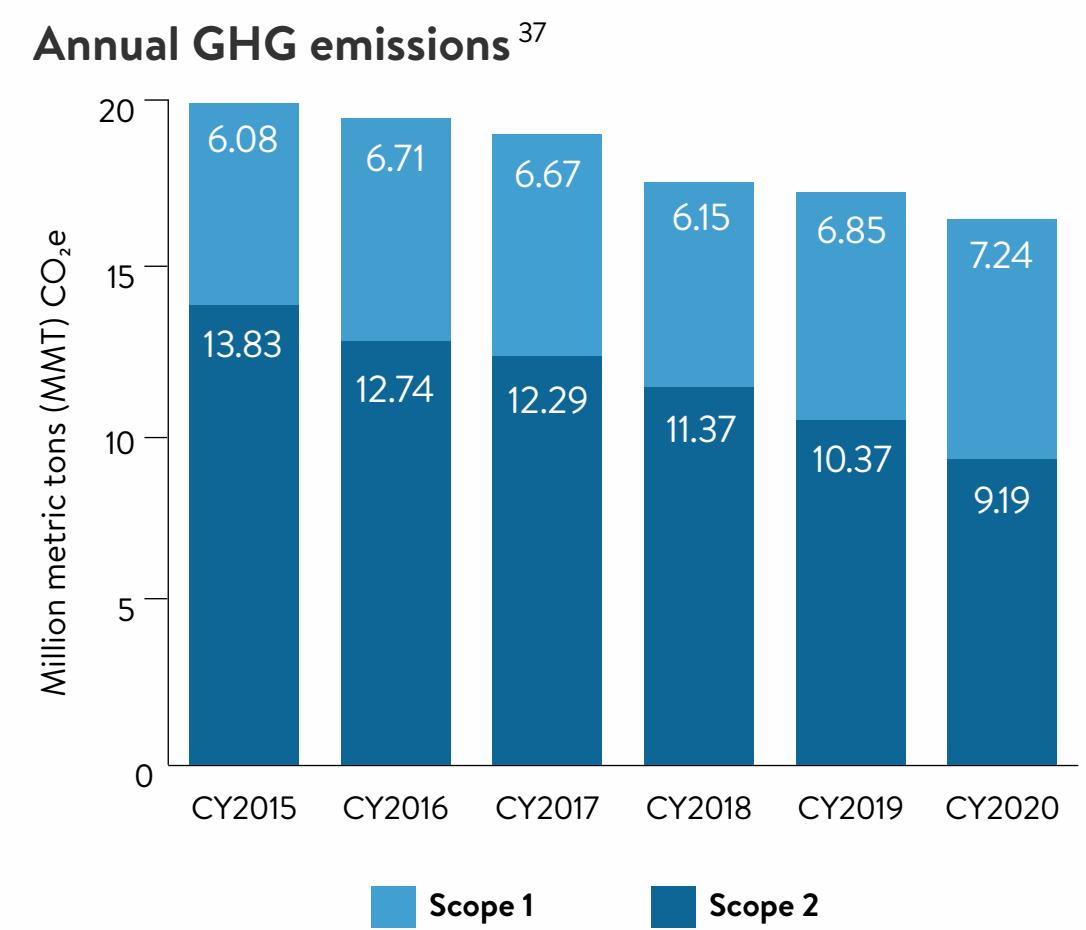
Climate change

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

GOVERNANCE

The Walmart corporate sustainability team leads the development of the company's climate strategy, working with a team including finance, real estate, operations, merchandising, strategy and public policy. Walmart periodically conducts a scenario-based climate risk assessment, which informs Walmart's climate mitigation

and adaptation strategies. Climate risk is also incorporated into the company's Enterprise Risk Management process. Walmart's executive leadership team reviews Walmart's climate strategy at least annually. The Nominating and Governance Committee of the Walmart Board of Directors oversees that strategy.





MITIGATION

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

We achieved a 17.5% reduction in combined scopes 1 and 2 emissions between our 2015 calendar year baseline and 2020.³⁹ While scope 2 emissions in 2020 declined by 11% over 2019, 2020 scope 1 emissions increased by approximately 6% due primarily to increases in onsite refrigerant and transport fuel emissions. To continue our progress, we are focused on renewable energy procurement, energy efficiency, refrigeration, transportation and stationary fuels.



Project Gigaton™ – Key Highlights⁴⁰

- Part of Walmart's approved science-based target and aligned with the 2° warming scenario
- Achieving the target would be equivalent to at least a 30% reduction of the estimated scope 3 footprint Walmart used as the basis for the initiative
- Target and accounting methodology developed in partnership with experts including CDP, Environmental Defense Fund (EDF) and the World Wildlife Fund (WWF)
- Intended to get immediate traction with suppliers on actions to reduce and avoid emissions, with 2030 serving as an interim milestone toward the Paris Agreement's 2050 date
- Serves as a platform to engage and encourage our suppliers to take action in arenas key to net-zero supply chains: energy, nature, waste, packaging, transportation and product use & design
- Annual opportunity for suppliers to report on specific actions taken that are translated via calculators into metric tons of CO₂e. Calculators created in collaboration with WWF and EDF
- Suppliers determine the scope of their efforts to report—e.g., total company actions or Walmart's proportional share. Select supplier submissions reviewed by WWF and EDF as part of the data review

**>2,500
suppliers reporting
in 2021**

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

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





ADAPTATION

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

ADVOCACY

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

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

Waste: Circular economy

We aim to break the link between consumption and waste as part of a movement toward a more circular economy, aspiring to achieve zero waste⁴¹ to landfill or incineration in our operations as we work with suppliers, customers and communities to accelerate the adoption of circular packaging and products.

Achieving zero operational waste in Canada, Mexico and the United States by 2025: We diverted 78% of waste⁴² globally in 2021. Our efforts include addressing secondary packaging, unsold food and general merchandise, automotive waste and unused assets. We are recycling corrugated cardboard, utilizing reusable packaging containers, recycling rigid plastics and plastic film, refurbishing fixtures, improving sell-through of food, donating food to food banks and other charities and converting food that is no longer edible to animal feed, compost or energy.

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



Highlights

Percentage of waste⁴² diverted from landfill and incineration:

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

Percentage of sales with How2Recycle label:

- Walmart U.S.: 80%
- Sam's Club U.S.: 84%
- Goal: 100% by 2022⁴³

>7%

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

58%

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

827 million

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



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

Optimizing packaging and using labeling to help customers reduce, reuse and recycle: We joined the U.S. and Canada Plastics Pact as part of the Ellen MacArthur Foundation's initiative to create a circular economy for plastics. In 2021, 58% of our private brand packaging was recyclable, reusable or industrially compostable, up from 54% the prior year, toward our goal of 100% by 2030.⁴⁷ In 2021, 7% of our private brand packaging was made of post-consumer recycled content, down from 11% the year prior,⁴⁸ while our virgin plastic volume increased by 3%, a headwind against a new goal we announced to reduce our private brand packaging 15% by 2025 (vs. a 2020 baseline). The decreased post-consumer recycled content and the increase in virgin plastic are largely attributable to global shortages of post-consumer recycled content, which reduced availability and increased prices substantially. We are focused on helping our suppliers secure additional supplies of post-consumer recycled content and taking other steps, including overall packaging reductions, to get back on track. In collaboration with the Association of Plastic Recyclers, we developed the Walmart Recycling Playbook, hosted a 2021 Sustainable Packaging Innovation Summit and supported the development of Plastic IQ, a scenario-modeling tool, used by over 170 companies that represent approximately 20% of all plastic packaging generated in the U.S.

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

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

→ Read more: [Waste: Circular economy](#)



Regeneration of natural resources: Forests, land, oceans

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

SETTING PRIORITIES

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

SUSTAINABLE SOURCING

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

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

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

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



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



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

→ [Read more: Product supply chain sustainability](#)

SUPPORTING CONSERVATION AND RESTORATION

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

INVESTING IN PLACE-BASED INITIATIVES

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

ADVOCATING FOR AND INVESTING IN ENABLERS

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

→ [Read more: Regeneration of natural resources: Forests, land, oceans](#)



>\$67 million
Walmart Foundation
grants to support
smallholder farmers
(since 2017)

People in supply chains

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

RESPONSIBLE SOURCING

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

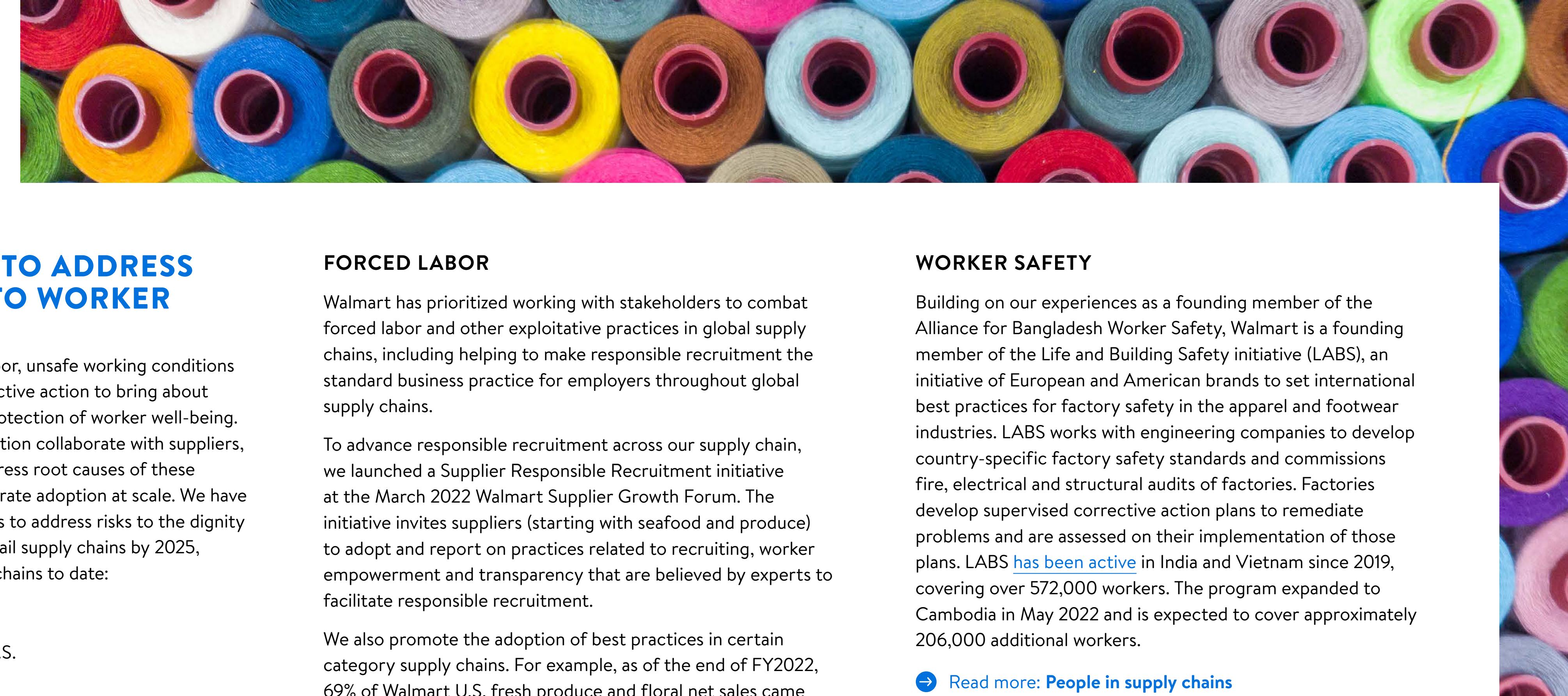
CREATING ECONOMIC OPPORTUNITY FOR PEOPLE IN SUPPLY CHAINS

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

For example, 92% of merchandise sold in Mexico is sourced in the country while 83% of merchandise sold in Central America is sourced from the region. In these markets as well as in India and

South Africa, Walmart teams work to develop small producers as suppliers and to help them reach Walmart's customers. In the U.S., our annual Open Call event allows hundreds of small- and medium-sized business owners from across the country to pitch products made, grown or assembled in the U.S. to our Walmart U.S. and Sam's Club U.S. merchants.

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



COLLABORATING TO ADDRESS SYSTEMIC RISKS TO WORKER WELL-BEING

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

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

FORCED LABOR

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

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

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

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

WORKER SAFETY

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

→ [Read more: People in supply chains](#)

→ [Read more: Human rights](#)

→ [Read more: Supplier opportunity](#)