

So many opportunities to
make a difference



Walmart
2014 Global Responsibility Report

About this report

The scope and boundaries of the 2014 Walmart Global Responsibility Report encompass our corporate efforts related to workplace, compliance and sourcing, social and environmental responsibility, while also providing snapshots into each of our individual markets around the globe. The report reviews our progress and performance during FY2014, reflects areas where we've achieved tremendous positive results and specifies areas of opportunity we continue to focus on. The social and environmental indicators were obtained by internal survey and checks without the participation of external auditing. The reporting timeline covers the period of Feb. 1, 2013–Jan. 31, 2014, and builds on our last report, issued April 2013. Unless otherwise noted, all currency is in U.S. dollars.

Content materiality

In addition to tracking media activity and customer feedback, we engage with internal and external stakeholders, including government and NGOs, to define the content included in this report. We incorporate this input prior to and during editorial development to ensure continuous dialogue, relevancy and transparency. For example, this engagement resulted in the expansion and positioning of our Workplace section, influenced our decision to turn Compliance and Sourcing into its own section, and to detail our commitment and progress related to water stewardship.

Currency exchange

Foreign currency conversions have been made using the average exchange rate from Feb. 1, 2013–Jan. 31, 2014. As a global company, we highlight the performance of our global markets, as well as the efforts taking place throughout our supply chain.

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Message from Doug McMillon

About ten years ago, I asked my sons at dinner: "Do you think Walmart should be working on protecting the environment?" They were about six and eight at the time. I hardly had the words out of my mouth when my youngest answered: "Duh, dad."

It had only taken him a few seconds to reach the right conclusion. Most of us took a little longer.

My version of Walmart's Global Responsibility story is that we had a legacy of serving certain stakeholders really well. We served customers well. We served associates well. And it was our belief that if we took care of those groups then the rest would fall into place.

But slowly, with the help of some very smart advisors, we realized we weren't doing enough. We started asking ourselves: What if we needed to change? What if we started listening to NGOs and even our critics more closely? And what if we simply recommitted ourselves to making our company even better? We went through a significant change in our perspective.

At first, there were some awkward conversations – frank meetings with folks we had never met with before. But what came out of those conversations was exhilarating. In fact, some of our critics then are some of our best advisors now.



We're in a much different place today. We have seen over and over how this work benefits the environment and our business – whether it's running our truck fleet more efficiently or putting more innovative products on our shelves. We have seen we can make a difference for the environment on energy and on waste, and we're now really leaning into our work on our supply chain. Our questions today are about how we can move faster and tackle more big challenges in three core areas: sustainability, opportunity and local communities. I'm excited to lead Walmart as we write this next chapter. There are so many ways Walmart can make a difference, and we will.

I share with you all of this history because I want you to know how personally we take what you'll read in these pages. We care deeply about the people who are touched by our business, and we want to do right by them. We're the world's largest retailer, but we're also moms and dads, and we have sons and daughters who will need this planet long after we will.

And we need your help. We publish this report as part of our commitment to building trust with you through transparency. We ask in return that you keep engaging with us, keep critiquing us and keep challenging us. Keep telling us what we can do better – and help us get there.

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

Doug McMillon

President and Chief Executive Officer – Wal-Mart Stores, Inc.

A conversation with

Doug McMillon, President and Chief Executive Officer

Kathleen McLaughlin, Senior Vice President, Corporate Affairs, and President, Walmart Foundation

Q: As more people around the world aspire to a higher standard of living, can Walmart's business model ever be called "sustainable"?

Doug: People everywhere want a better quality of life, and it's our mission to help them achieve it. We don't think Walmart or anyone else should tell those aspiring to join the middle class that they can't have a refrigerator or a cell phone or any of the other things we take for granted in some parts of the world.

But we do want the products we sell to be not only affordable, but safe, responsibly made or grown, and more environmentally sustainable. No one should have to choose between products they can afford and products that are good for the planet. That's why the Sustainability Index matters so much. By improving how products are made and still selling them at Walmart prices, we can make a better life both attainable and sustainable for people around the world.



Q: What's the biggest lesson you've learned during your first year at Walmart?

Kathleen: I have learned that good intentions, high aspirations, passion and tenacity can help people break through even the toughest challenges. I joined Walmart for two reasons. First, I believe in the core mission of providing affordable food, apparel and other goods to people around the world. Second, the merchants and field operations teams in this company work hard every day to carry out that mission in a way that is sustainable, creates economic opportunity for Walmart associates and people all along our supply chain, and strengthens the communities where we live and work. I wish others could sit in on the leadership meetings, working sessions and team huddles that take place here and see that in action.

Q: The recent tragedies in apparel factories in Bangladesh raised questions about the responsibilities of retailers for their supply chains. What is your view?

Doug: Our hearts go out to the families of those affected by those tragedies. The safety record of Bangladeshi factories is very troubling, and we are doing something about it. In addition to our own safety audits, the Alliance for Bangladesh Worker Safety that we announced last July with other retailers and suppliers is providing a results-oriented, measurable and verifiable way to dramatically improve factory safety conditions. And because transparency is an effective way of driving accountability in Bangladesh, we have made the results of more than 200 Bangladesh factory safety assessments publicly available as of March 2014.

Our customers want products that are safe, well-made and produced by people treated with dignity and fairness – and we will use our leverage to move toward higher standards. We should be able to shine a light on any part of our supply chain and be proud of what we find. That is our goal, and it's one worth having.



Q: You recently announced you were removing certain legal chemicals from the products you sell. Is it the role of business to act when government can't or won't?

Kathleen: At Walmart, we take our direction from our customers. They told us they want to be even more confident in the products they bring home to their families. So we worked with The Sustainability Consortium, the EPA and NGO partners like the Environmental Defense Fund to develop our sustainable chemicals policy, which works to reduce or eliminate certain chemicals for which we believe there are more sustainable alternatives.

Now we are working closely with our suppliers to bring enhanced transparency to the ingredients in products and to transition to better options where appropriate. We'll report our progress publicly in the next two years.

Q: What are you doing to strengthen your compliance programs?

Doug: In all parts of the world, we've found that our people want to do what's right, and we're continuing to give them the tools to do so – especially as we operate across so many complex and varied markets. I credit our previous CEO, Mike Duke, with launching and investing in a series of significant initiatives to further strengthen our formal compliance programs, including increased staffing, training and monitoring to help ensure we're doing the right thing.

Q: You've made a lot of progress on big issues, but there is still concern about your own jobs and wages. What is your reaction to those critics?

Doug: You know, I started out in an entry-level position with this company. Most of us start out in entry-level jobs somewhere. This is a company that will take you in for your first job, even if you don't have a lot of skills, and provide you opportunities to build those skills and advance in your career. In the U.S., for example, 75 percent of our store management teams started as hourly associates, and we promote about 190,000 people each year. We also offer bonus opportunities, health care benefits, a 401(k) plan, and a discount on merchandise to our eligible store associates.

But we learn from our critics, and we're always working to make our jobs better. Right now, we're clarifying the career pathways for associates, adding more flexibility to our scheduling system and piloting training that will accelerate the development of our associates within Walmart. I've seen so many associates grow and develop at Walmart – in fact, it's my favorite part of my job, and I'm excited about what we can do for them and for retail employment in our markets.

the challenge...

accelerate the pace of innovation through sustainability

Q: Last year you announced new plans for renewable energy and energy efficiency, but you're still a long way from 100 percent renewable energy, your longer-term goal. Are you really leading?

Kathleen: When our energy team started on our 100 percent goal in 2005, we were in uncharted territory. Today, we have more than 300 renewable energy projects underway around the world, and we are rapidly scaling this work. In Mexico, for example, we'll go from two stores powered by renewables in 2010 to more than 1,200 stores this year. Between our own new projects and the renewables we get from the grid, we will be getting 24 percent of our electricity needs worldwide from renewables. What's more, our renewable energy meets or beats market prices from traditional sources. We hope our commitment to renewables will encourage innovation and new market entries into the sector, which will help us accelerate our sourcing of renewables while maintaining everyday low cost. There are many markets where regulatory or market hurdles make it challenging for Walmart to drive change. In those places, we are actively working with NGOs to overcome these.

At the same time, we are reducing our energy consumption per square foot every year, which could reduce our energy bill by an estimated \$1 billion by 2020. We will achieve our goal of being powered 100 percent by renewable energy when these two curves – declining energy intensity and rising renewables sourcing – intersect.

Q: Are you comfortable with the pace of progress the world is making on sustainability? Is change happening quickly enough?

Kathleen: No. Take food, for example. Already, our forests, oceans, waterways and prairies are under pressure. In the next 40 years, the world population will grow to 9 billion. How will the world produce enough safe, affordable and nutritious food, in a way that is environmentally and socially sustainable? We are working hard on this problem with suppliers, NGOs and other partners by pursuing innovation along the entire food chain, from farms and oceans to our customers' kitchens. For example, we are reducing food waste, developing and piloting technologies that can enhance crop yields while reducing fertilizer and pesticide usage, experimenting with new business models and collaborations with farmers and fisheries, and putting in place policies to prevent deforestation and preserve fish stocks. Increasing the resilience of the food supply chain – from the farm to the shelf – is right for our business, our customers and future generations, and you can expect us to move faster here.

Q: What's next for Walmart?

Doug: My hope is that this will be a year of innovation for our customers, driven by our global responsibility efforts. When I was raised as a merchant, we focused on basics like price leadership, in-stock and strong inventory management. But it wasn't until we started to step back and look at the whole system – from the raw material to the supplier to how the people involved were treated to the waste that was created – that we really started unlocking innovation in a different way.

It was another key perspective change for us. What I challenge all of us to do today, especially around the supply chain, is to figure out how to accelerate the pace of innovation by looking through a sustainable lens. That will result in not only a better planet tomorrow but more inspiring merchandise for our customers today.



The Walmart way:



Where we started

When Sam Walton founded Walmart in 1962, his mission was to save people money so they could live better. That mission, in and of itself, creates tremendous social good. With every one of us working together – from associates and our global supply chain, to the very customers and communities we serve – we accomplished even more. We drove innovation and reinvented how the world moves products, from the point of production into the hands of the people who use them every day.



Continuing to evolve



A new opportunity emerges

Then, Hurricane Katrina hit. As we mobilized to provide meals, supplies and cash to support recovery efforts, our eyes were opened to an even broader opportunity to make a difference. We recognized the significance of emergency preparedness at the local level and how our experience and expertise in global logistics could be utilized to provide fast and efficient relief in the wake of disaster. We asked ourselves, "What if we used our size and resources to make this country – and this planet – an even better place for all of us? And what if we could do that and build a stronger business at the same time?"

An agenda for the future

We reflected on our heritage of reinvention, our success, scale and resources and established a bold vision of what leadership meant for Walmart in the 21st century. Many of the issues our customers and communities care about most – hunger, access to healthier food, environmental sustainability, career opportunity and women's economic empowerment – are the same ones where we can make a positive difference. So Walmart and the Walmart Foundation have undertaken several ambitious initiatives. Our executive leadership has set the tone and – in true Walmart fashion – our associates continue to work together to embed it in our day-to-day business, our culture and the collaborations we forge.





The Walmart way:



The Walmart way = Sustainable Value Networks + Special

To tackle environmental and social issues, we've created **Sustainable Value Networks (SVNs)**, which are global networks of Walmart merchants, operators and finance leaders. For example, we've set up SVNs in food and agriculture, softlines, general merchandise, consumables, energy and facilities, transportation, waste and women's economic empowerment, among others. SVNs draw on Walmart experience as well as expertise from suppliers, academia, governments and NGOs to set aspirations and define initiatives across our markets and product value chains. Example initiatives include fleet efficiency, chemicals, sustainable seafood, factory energy efficiency, factory safety, sourcing from women-owned businesses and product reformulations across our Great Value™ private-label brand and many national brands.

How we do it



Walmart makes a difference in the lives of people all over the world every day.

teams + The Walmart Foundation

Special teams and functions such as food safety, responsible sourcing, energy, women's economic empowerment and product sustainability support the initiatives launched by the SVNs. These teams work closely with Walmart associates to develop solutions and embed them in our day-to-day operations. For example, our Global Women's Economic Empowerment team has developed a Supplier Academy to remove unique barriers faced by women-owned businesses in preparing to become Walmart suppliers. And what gets measured gets done, so we've implemented tools like the Sustainability Index to measure our progress and hold merchants and operators accountable for progress.

While the company naturally takes the lead on internally powered initiatives such as fleet efficiency, the **Walmart Foundation** pursues philanthropic initiatives that extend beyond Walmart's operational sphere of influence. The Foundation can draw on Walmart's skills and assets, but is free from the day-to-day pressures and constraints faced by any business. The Foundation has its own unique and valued relationships with partners and grantees across civil society, the government and the private sector. Through programs in food security, work opportunity and local community building, the Foundation helps people live better – one community at a time.



The Walmart way:

As we've continued to lead from the front, three core focus areas – **sustainability, opportunity** and **local communities** – have emerged. Often, our efforts in the sustainability arena intersect with the work we're doing in local communities. And our initiatives in local communities cross over with our commitment to providing people with the skills and resources they need to open the door to opportunity and a better life.



Fertilizer reduction

We encourage our suppliers to develop optimization plans with the potential to reduce fertilizer use on 14 million acres of farmland in the U.S. by 2020.



Sustainable chemistry

We've made a priority of working with our suppliers to develop chemical products and processes that help reduce or eliminate the use of potentially hazardous substances.



supply chain

Sustainability — Opportunity



Bangladesh fire safety

We're driving significant reform of the garment industry in Bangladesh by focusing on factory safety, worker empowerment and supply chain transparency.



U.S. manufacturing

Walmart and the Walmart Foundation have leveraged their resources to bring manufacturing jobs back to the U.S.



Access

The Walmart Foundation provided thousands of people globally with the training and support they need to access jobs that lead to a better life.



Empowering women

Walmart launched an online platform to connect small, women-owned businesses with a global customer base.

Our contributions

These principles are working for us – and we're showing others that taking on large social issues can be compatible with building a stronger business. The following represents a sampling of ways **Walmart and the Walmart Foundation made a difference in 2013:**



Renewable energy

Building on the momentum of becoming the largest on-site green power generator in the U.S., we pledged to increase our supply of renewable energy globally by 600 percent by the end of 2020.



Sustainability Index

We're expanding the Sustainability Index and measurement to international markets with the goal of improving product sustainability at a global level.



Local communities

end-of-life cycle



Associates

In addition to promoting about 190,000 U.S. associates in 2013, 51 percent of our new hires were women and 49 percent were people of color.



Fighting Hunger Together

Walmart and the Walmart Foundation delivered on their commitment of \$2 billion in cash and in-kind giving to fight hunger in America one year ahead of schedule.



Volunteerism

Collectively, our U.S. associates volunteered more than 1.8 million hours, resulting in \$17 million in donations in support of local organizations in FY 2014.



Veterans

We hired more than 32,000 U.S. military veterans within the first eight months of announcing our Welcome Home Commitment.



Emergency preparedness

We collaborated with the United Nations Office for Disaster Risk Reduction to leverage our best practices in helping build resiliency in communities around the world.



The Walmart way: Looking forward

While we're proud of the progress we've made, we recognize this is a journey. Walmart wants to, and can, make a significant contribution to the world's social and environmental challenges. And as we continue to learn, we're committed to connecting the dots among our business, our philanthropic involvement and the efforts of our partners to lead in bold and transformative ways.



Walmart makes a difference in the lives of people all over the world every day.



Turn to page 167 for a full index of progress on each of our public commitments in the areas of hunger, healthier food, global women's economic empowerment, veterans, U.S. manufacturing, energy, waste and products.

Stakeholder engagement

We're committed to engaging all our stakeholders, both internally and externally, to become the most sustainable, responsible company we can be. By listening to, partnering with and considering the perspectives of our associates, customers, shareholders, academic leaders, government, NGOs and even our competitors, we're truly saving our customers money so they can live better.

Our engagement with each stakeholder group differs and, in an effort to adapt to changing needs and issues, continues to evolve. As we pursue our corporate responsibility goals, we intend to further strengthen these relationships. Together, we're establishing transparency and enhancing our relevancy with the customers and communities we serve.



Associates

Regular communications and engagement, via channels that include our WalmartOne.com site, monthly associate magazine, Associate Engagement Surveys and the Open Door Policy. Based upon hire date and position, associates may become eligible to be formally evaluated on their performance each year. Through the performance management program, managers and associates engage in open, transparent and ongoing conversations to provide clarity on performance expectations as well as to identify learning and growth opportunities for the associate.

Customers

Daily engagement with customers in our stores and clubs, and through select social media outlets, including our sustainability blog, walmartgreenroom.com. In some markets, we also conduct customer satisfaction surveys on a regular basis.

NGOs

Regular meetings with NGOs to find common solutions in order for our efforts to exceed anything we could achieve alone. We discuss strategy development, execution and best-practice sharing.

Shareholders

Quarterly and annual financial reporting, annual meeting of shareholders, periodic individualized mailings and conference calls among senior management, investors, and/or analysts and rating firms. In addition, we hold three full-day interactive meetings with the investment community each year to discuss company strategies.

Suppliers

Regularly engage with suppliers to promote and institute sustainability solutions. One example includes our Women-Owned Business Advisory Council, which consists of suppliers working with our Women's Economic Empowerment team to unlock sourcing opportunities. Major projects from 2013 include the Sustainability Index, supply chain greenhouse gas (GHG) program and sustainable agriculture.



Stakeholders are encouraged to learn more about our corporate responsibility by going to our website at corporate.walmart.com/global-responsibility. In addition, we encourage people to contact us at cassr@wal-mart.com.

Sustainable Value Networks (SVNs)

Our SVNs are teams of associates, suppliers, academic leaders, government, NGOs and others who help us better understand sustainability challenges and create market-based solutions.

Live Greener Working Group (LGWG)

The LGWG is a group of NGOs that Walmart collaborates with monthly to make progress in the areas of energy, waste and products. We're proud of our part in this continuing movement of cooperation between companies and sustainability experts.

Multi-stakeholder collaborations

We actively support industry efforts to drive sustainability in consumer goods supply chains. These efforts, involving groups such as The Sustainability Consortium (TSC), Retail Industry Leaders Association (RILA), Clinton Global Initiative (CGI) and Consumer Goods Forum (CGF), allow us to collaborate with and engage our suppliers and competitors in industrywide sustainability initiatives.

Political engagement

Over the past several years, we've worked to strengthen our commitment to provide additional transparency into our political engagement, including coverage in our Global Responsibility Report as of 2013. On Feb. 8, 2013, the Walmart Board of Directors voted to amend the charter of the Compensation, Nominating and Governance Committee, adding to its responsibilities and obligations the review and oversight of the company's legislative affairs and public policy engagement strategy, including information about political contributions.

Wal-Mart Stores, Inc. Political Action Committee for Responsible Government (WALPAC) is the primary vehicle for financially contributing to the political process. WALPAC is solely funded with voluntary contributions from eligible associates. To access information about contributions made from WALPAC, please go to www.fec.gov and search the appropriate disclosure database for "Walmart." Walmart is a member of certain U.S.-based trade associations that the company believes can assist Walmart in achieving its long-term strategic objectives. Some of these U.S. trade associations engage in political activities, including the making of political and lobbying expenditures. Walmart periodically reviews its memberships in such trade associations.

In addition, we have policies and oversight in place to comply with federal, state and local laws and regulations relating to the reporting requirements of corporate political contributions. Links to other publicly available information concerning our federal policy-oriented activities in the United States, such as federal lobbying disclosure reports, can be found at lobbyingdisclosure.house.gov and soprweb.senate.gov, which are maintained by the U.S. House of Representatives and the U.S. Senate, respectively.

Additional information can be found in our statement on Political and Policy Oriented Engagement available on our corporate website.



The above links, as well as a link to our corporate government relations policy, are available on our Walmart corporate website, corporate.walmart.com.

Governance

We continually benchmark with other companies around the world and across industries, consult with corporate governance experts and engage with key stakeholders to ensure world-class processes at Walmart. We're proud of our corporate governance policies and continue to strengthen our practices where appropriate.

In our governance structure, the CEO is responsible for the general management, supervision and control of the business and affairs of our company, including the execution of all board directives and resolutions. Our chairman presides over all meetings of the board and shareholders, and advises and counsels the CEO and other officers regarding our business and operations.

We believe our separate CEO/chairman structure is the most effective leadership structure for Walmart shareholders. It allows our CEO to focus on managing our complex daily operations and our chairman to address matters related to the responsibilities of the board. Our board met a total of six times in 2013 to perform its oversight functions and to address matters relating to the creation of long-term value for shareholders.

We recognize the importance of board independence. The majority of our directors are independent in accordance with the requirements of the New York Stock Exchange.

Our directors serve on one or more of the six committees of the board:

- (1) Audit Committee,
- (2) Compensation, Nominating and Governance Committee,
- (3) Global Compensation Committee,
- (4) Executive Committee,
- (5) Strategic Planning and Finance Committee; and/or
- (6) Technology and eCommerce Committee.

Each committee is governed by a written charter that outlines its specific roles in our company's governance and achieving our company's business objectives.

Consistent with our commitment to sustainability, charitable giving and leading on social issues important to our customers and shareholders, and with our responsibility as a global corporation, our board has assigned oversight of these areas to the Compensation, Nominating, and Governance Committee. This committee advises management regarding social, community, and sustainability initiatives, as well as our company's charitable giving strategy and legislative affairs and public policy engagement strategy. Our directors hold us to a high standard of integrity and transparency in our service to our customers, associates, and shareholders.

Our board regularly reviews our corporate governance policies and practices to identify areas in which we can enhance our company's corporate governance profile. For example, in 2013, our board increased the stock ownership guidelines applicable to our CEO and certain other executive officers of the company to further align the long-term interests of our executives and our shareholders. In addition, the board recently amended our bylaws to allow shareholders owning 10 percent or more of Walmart common stock to call a special shareholders' meeting. The board also amended our Corporate Governance Guidelines to more fully articulate (and, in some instances, expand) the role of the independent director who presides over executive sessions of our non-management directors and independent directors.

From the beginning, our values – integrity, opportunity, family and community, purpose and responsibility – have served as our core strengths and will continue to drive our success moving forward.

Board and committee oversight



Consistent with our commitment to sustainability, charitable giving and leading on social issues important to our customers and shareholders, and with our responsibility as a global corporation, our board has assigned oversight of these areas to the Compensation, Nominating and Governance Committee.



For more information go to:
stock.walmart.com/corporate-governance



Public policy

Walmart works with communities, academia and NGOs in our markets around the world to help improve our customers' lives through greater access to safe and affordable goods and services. We shape public policy through platforms such as the World Economic Forum, where we worked with industry leaders to study disruptive innovation as a means for meeting customers' shifting expectations. At meetings of the Asia-Pacific Economic Cooperation (APEC), Walmart participated in discussions with 21 economies regarding the economic empowerment of women, food security and environmental sustainability. In addition, we actively support World Trade Organization negotiations, such as the recent Trade Facilitation Agreement, which is intended to help effectively and efficiently move goods to consumers around the world.

The following represents a sampling of our involvement in the U.S.:

U.S. Manufacturing Summit

In August 2013, Walmart held the first U.S. Manufacturing Summit to build on our announcement to purchase an additional \$250 billion in products supporting U.S. manufacturing over the next 10 years. More than 1,500 attendees, including 500 suppliers, representatives from 34 states and other government officials, joined us at the summit. During the Summit, governors and state officials connected directly with manufacturers to learn about potential projects and present the resources available in different states. As of the end of 2013, our suppliers have announced extraordinary commitments to inject more than \$100 million into factory growth and create more than 2,000 U.S. jobs.

U.S. Conference of Mayors' Climate Protection Awards

Since 2007, we've sponsored the U.S. Conference of Mayors' Climate Protection Awards. These awards recognize cities for their efforts to curb global warming through energy efficiency measures. Cities that displayed exceptional mayoral leadership, creativity and innovation, reduction of greenhouse gas emissions and improved quality of life were awarded the highest honors. Recipients are chosen by an independent panel of judges appointed by the conference. The 2013 winners included Salt Lake City, Utah, and Asheville, N.C.

Alliance for Main Street Fairness

We're a member of the Alliance for Main Street Fairness, a coalition of small and large retailers, business organizations and community leaders dedicated to ensuring sales tax laws are up to date and fair for all businesses. An online-only sales tax loophole currently disadvantages local businesses and puts those businesses at risk; the Alliance is working to level the playing field. Twenty-six

states have enacted e-fairness and/or consumer-use laws since 2008. Legislation has also been introduced in Congress to clarify the realities of modern commerce, allowing government policy to treat all businesses equally. The work done by the Alliance helps protect local companies that create jobs and make investments in our communities.

New Jersey League of Municipalities Educational Foundation

In 2013, the New Jersey League of Municipalities Educational Foundation allocated \$425,000 in grants to launch a Walmart-branded funding cycle of the highly successful Small Grants Program. The Sustainable Jersey grants help local governments make progress toward a sustainable future, including renewable energy and green building design, waste reduction, a sustainable master plan, water conservation, natural resources management, energy management and transportation issues. This latest grant is reflective of the sustained commitment Walmart has made to advancing sustainability in local communities in New Jersey. Walmart's corporate commitment and leadership in promoting environmental sustainability and modeling green business practices sets a high standard for the business community and communities in New Jersey. Since 2009, Walmart has contributed more than \$1 million to the New Jersey League of Municipalities Educational Foundation toward advancing sustainability in local communities in New Jersey through the Sustainable Jersey grants program. Walmart's corporate commitment and leadership in promoting environmental sustainability and modeling green business practices sets a high standard for the business community and communities in New Jersey. To learn more about Sustainable Jersey and its Small Grants Program, visit sustainablejersey.com



Workplace



So many ways to
make a difference
in our workplace

Walmart associates are the heart of our business. As Sam Walton said, "Our people make the difference." We've worked hard to build an environment that emphasizes integrity, respect, open communication and innovation. Whether it's a part-time job or the career of a lifetime, working at Walmart means opportunity.

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Committed to ethics and integrity

Walmart makes a difference in the lives of people all over the world every day.





Championing our



Around the world, we're hard at work serving our customers and supporting our associates – and our culture. Our culture is incorporated into every aspect of our business, is unique and not easily copied by competitors. We might do our jobs differently from location to location, but the spirit of how we get things done is remarkably similar.

Service to our customers

We're here to serve customers, support each other and give to our local communities.

Respect for the individual

We value every associate, own the work we do, and communicate by listening and sharing ideas.

culture



As diverse as we are, we're bound together by a common way of doing business that serves our customers, drives performance and creates a positive place for us to work. Our beliefs are at the heart of our culture and guide us on how we do our jobs.

Strive for excellence

We work as a team and model positive examples while we innovate and improve every day.

Act with integrity

We act with the highest level of integrity by being honest, fair and objective while operating in compliance with all laws and our policies.



These principles – as relevant today as they were when our first store opened in 1962 – help define the Walmart culture and empower us to save people money so they can live better.



Celebrating a decade

We're very intentional about our efforts to attract and grow a diverse associate population, while offering an engaging and inclusive workplace. As Walmart has grown in the U.S. and internationally, the face of our company has evolved to better serve our customers by meeting their unique needs and wants. Our commitment to diversity and inclusion continues to drive business success through innovation, customer relevance and talent impact.



Diverse headcount growth 2003–2013

U.S. officers

+163%

women

+224%

people of color

+192%

African-American

+255%

Hispanic

+286%

Asian

+46%

African-American

+45%

Hispanic

+48%

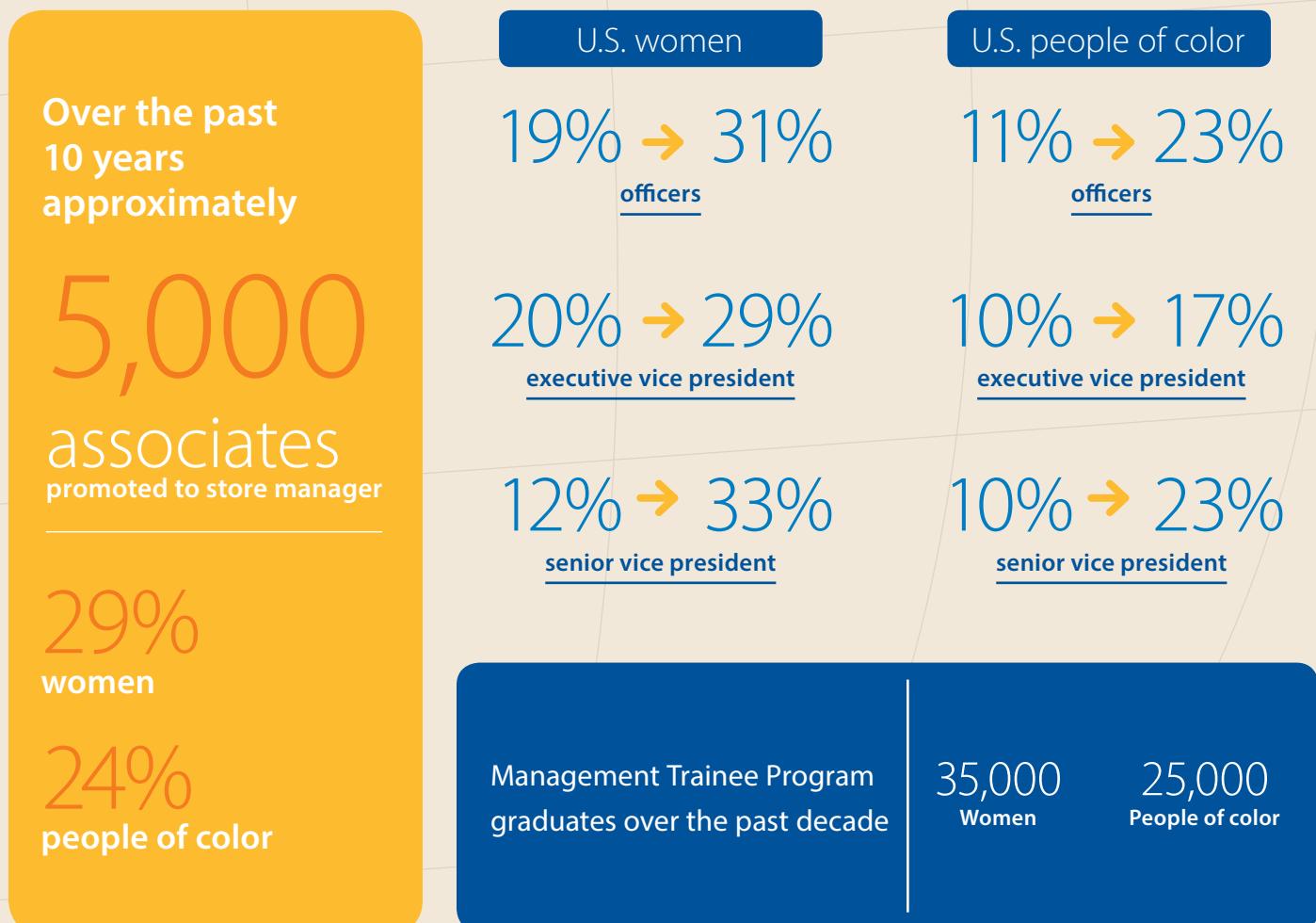
Asian



of diversity and inclusion

In November 2003, we formally established our Office of Diversity. Today, Walmart is celebrating a decade of specific focus on diversity and inclusion. We continue to be encouraged by our progress and remain committed to being a destination for great talent around the world.

Diverse representation growth (percent of total) 2003–2013





More than
1.3 million
U.S. associates

More than
800,000
International
associates



Walmart is one of the most diverse

Our associates

57% – women 39% – people of color

Management associates

45% – women 29% – people of color



employers in the U.S.

Our workforce

760,000 women

258,000 African-American

172,000 Hispanic

45,000 Asian

Approximately

$\frac{3}{4}$

of store and club
management teams started
as hourly associates.



Meeting the needs of our associates

Associates are our company's greatest asset – the cornerstone to our continuing success. As one of the world's largest employers, we understand the significance of taking care of our associates. From the competitive wages and market-relevant health plans we offer, to our commitment to open communication across our global operations, meeting the needs of our associates is a top priority.

Benefits and compensation

We all share a common goal: to make the best choices for ourselves and our families. Walmart recognizes this. Globally, we offer competitive and equitable compensation and provide more than 1.5 million associates and their dependents with competitively priced health insurance options.

U.S. health plans

We continue to listen to our associates and work to keep costs as low as possible. Like other companies, continually rising health care costs have required us to adjust the cost of our plans. Controlling the cost of coverage isn't just a challenge for Walmart; it's a national challenge.

\$9.20

Lowest-cost full-coverage plan is \$9.20 per week for associate-only coverage; \$36.95 for families.

75%+

Portion of premium plan costs that we pay for our associates, which exceeds the average contribution of other retailers. Our associates pay about half the average premium that other retail employees pay.

100%

Amount of preventive care covered. Also, coverage offers benefits that include no lifetime maximum and a company contribution of \$250 to help pay for medical expenses.

\$0

Increases in out-of-pocket or deductibles in the HRA or HSA plans offered in 2014. Some associates chose to enroll in plans with higher deductibles than they were enrolled in previously. The net effect is that the total increase for associates, including premiums, is less than 3 percent.

More than half of our associates are enrolled in Walmart's health care coverage.

Eligibility requirements for associates

To help ensure continued compliance with new federal health care laws, we changed the requirement for part-time associates in 2012. As of Jan. 1, 2014, eligibility for hourly full-time associates is less than a 90-day waiting period. Otherwise, we've already implemented all other Patient Protection and Affordable Care Act (PPACA) requirements, such as offering coverage for dependent children up to age 26.



New plan benefits

U.S.: Centers of Excellence

As health care costs continue to rise, we're strengthening our health benefits with innovative new solutions, like our Centers of Excellence. We expanded our long-standing program that covers transplants at the Mayo Clinic to include treatment for certain heart and spine surgeries at five leading hospital and health systems in the U.S. To further expand this Centers of Excellence program, Walmart is adding hip and knee replacement

surgeries at four U.S. hospital systems. Centers of Excellence provide consultations and care covered at 100 percent without deductible or coinsurance, plus travel, lodging and living expenses for the patient and a caregiver. This provides our associates the opportunity for exceptional care at hospitals and medical centers across the country that specialize in heart, spine and transplant care.

In providing this service at no cost to our enrolled associates, we've worked with these Centers of Excellence health systems to offer exclusive and unique bundled pricing arrangements for procedures. Through Centers of Excellence, we're working with health care organizations to collectively share best practices that will allow collaboration around best measures of service, quality and new industry findings in comparison to industry practices.

Centers of Excellence

Cardiac

- Cleveland Clinic
Cleveland, OH
- Geisinger Medical Center
Danville, PA
- Scott & White Memorial Hospital
Temple, TX
- Virginia Mason Medical Center
Seattle, WA



Hip and knee replacements

- Johns Hopkins Bayview Medical Center
Baltimore, MD
- Kaiser Permanente Irvine Medical Center
Irvine, CA
- Mercy Hospital Springfield
Springfield, MO
- Virginia Mason Medical Center
Seattle, WA

Spine

- Mercy Hospital Springfield
Springfield, MO
- Scott & White Memorial Hospital
Temple, TX
- Virginia Mason Medical Center
Seattle, WA

Transplants

- Mayo Clinics
Scottsdale/Phoenix, AZ
- Rochester, MN
- Jacksonville, FL

Meeting the needs of our associates

U.S.: Domestic partner benefits

In order to remain competitive in terms of attracting and retaining great talent to our company, Walmart is including same-sex and opposite-sex domestic partners in its 2014 benefit plans in the U.S. and Puerto Rico. This means that Walmart has chosen to offer benefits to an associate's same- or opposite-sex spouse, or to an unmarried partner, whether of the same or opposite gender. Given the diverse world we live in, a comprehensive package that includes domestic partner benefits appeals to today's workforce. We operate in all 50 states, Puerto Rico and hundreds of municipalities, and as clarified under the Supreme Court's decision to strike down Section 3 of the Defense of Marriage Act (DOMA), each of these states is developing different definitions of marriage, domestic partner and civil union. By developing a single definition for all Walmart associates in the U.S., we're able to enhance consistency for associates throughout the country.

U.S.: Vision insurance

Our associates have asked for vision coverage, and, with our significant workforce base, Walmart is able to offer this and negotiate a rate that's less than associates are paying out of pocket today. Vision coverage is offered to all associates, including full-time, part-time and seasonal associates. The plan offers quality care, beginning with an eye exam for as low as \$10 that includes screening for vision problems and other health conditions. The plan also covers lenses, frames and contacts, with copays for many services starting as low as \$10.

U.S.: Castlight

We've consistently believed there's a need to make the cost and quality of health care transparent. The importance of this step was underscored by the release of wildly varying hospital prices from Centers for Medicare and Medicaid Services (CMS). In an effort to achieve transparency, Walmart is offering Castlight free for associates enrolled in the HRA or HSA plans. Castlight provides straightforward information about the quality of a doctor or facility and how much their

services cost before you visit. Associates can search and compare doctors and services based on cost and quality reviews to decide what works best for them and their family.

International Benefits Canada: Just Ask program

To help associates take control of their health, paramedical coverage has been enhanced to include registered dietitians and Walmart pharmacists. The Just Ask program offers personal, confidential consultation including:

- Comprehensive education related to specific health conditions such as diabetes, high blood pressure and asthma
- Answers to questions about medications and self-care
- Follow-up management of a condition
- Personalized review of all medications, including prescriptions and over-the-counter medications
- One-on-one training on home health care products, such as blood glucose meters and asthma spacers
- Smoking cessation education and support

Mexico: Health and wellness initiatives

Walmart Mexico is collaborating with the Mayo Clinic to offer and promote health and wellness initiatives that motivate our associates to be informed and choose a healthy lifestyle. Highlights include:

- E-cards for all associates on a biweekly basis
- Weekly e-messages on simple, healthy habits that associates can adopt
- Bimonthly newsletter about important health and wellness updates
- E-guide on how to live healthier
- Bimonthly communications regarding seasonal topics and World Health Days
- Live Healthier posters to be displayed in all stores

Additionally, Walmart Mexico has partnered with the Instituto Mexicano de Seguridad Social (IMSS) to utilize our communication platforms, including Walmart TV and our website, to provide all associates with valuable information regarding how to help prevent certain health conditions such as diabetes, cholesterol and high blood pressure.

Financial benefits for U.S. associates

Financial benefits for our eligible full-time and part-time U.S. associates include 401(k), bonus incentives and stock purchase plans. We match contributions made to the Walmart 401(k) Plan dollar-for-dollar up to 6 percent of annual pay, as well as to the Associate Stock Purchase Plan by matching up to 15 percent of the first \$1,800 purchased each plan year. Associates who choose to invest in the custom-designed target date funds have access to professional money management with fees as low as 0.32 percent.

Associate discounts

In 12 countries, we provide a discount program for full-time and part-time associates on purchases in our stores, ranging from 5 to 10 percent. Discounted categories vary from country to country, and some provide additional discounts during the holidays. For example, over the past five years, we have provided U.S. associates a 10 percent discount on all products during the Christmas holidays. To align with our commitment to healthier living, our U.S. associates also receive a 10 percent discount year-round on fresh fruits and vegetables, in addition to most general merchandise within the stores. Additionally, hourly store associates who worked the Black Friday event received a 25 percent discount opportunity.



Associate engagement

“Listen to your associates. The folks on the front lines – the ones who actually talk to the customer – are the only ones who really know what’s going on out there.”

– Sam Walton

Engaging our associates

Listen to everyone in your company is one of Sam Walton’s 10 Rules for building a great business. One way we continue to build on his legacy of listening to our associates is through our global Associate Engagement Survey (AES). While this aspect of the Grass Roots process has evolved and improved over time, what has remained constant is its purpose: listening to our associates and continually finding ways to improve.

For more than five decades, our associates have served as the core ingredient to our success and growth. From our associates in the field to those working in our home offices, we use information gathered from the global AES and Grass Roots process to build highly engaged teams and foster a work environment that helps serve our customers.

In 2013, the survey was made available to all associates around the globe. More than 2 million participated in the survey, with a **global participation rate of 88 percent**. Even in challenging economic times, most business units and markets experienced notable improvements in engagement scores. Only a few experienced slight declines. However, most compared favorably to external benchmark results. Approximately four of five associates said they are proud to work for Walmart.

In addition to measuring associate engagement, the results represent the starting point for Grass Roots feedback sessions. In these sessions, managers and associates collaborate to create detailed action plans to address opportunities for improvement and identify strategies to raise and maintain engagement in their areas. In the U.S. alone, management implemented more than 16,000 action plans within three months of the results being made available. As a result of increases in action planning activity, we’ve seen a renewed focus on improving all factors that drive engagement.

Open Door policy

Our management believes open communication is critical to understanding and meeting our associates’ and our customers’ needs. Associates can trust and rely on the Open Door, as it’s a cornerstone of our Walmart Culture.

From the beginning, Walmart has maintained an Open Door policy to provide our associates an avenue to express their ideas and concerns without fear of retaliation. As we’ve grown as a company, we’ve continued to evolve our Open Door to meet the needs of our associates.

In April 2011, we implemented the following three-step enhancement to our existing Open Door policy for all Walmart U.S., Sam’s Club, Logistics and Transportation associates:

- **Step 1:** Associate speaks to the facility manager.
- **Step 2:** If the associate feels their concern is unresolved, they contact their market or divisional team.
- **Step 3:** If the associate’s concern is still unresolved, they contact the Open Door Helpline, where an Associate Relations Manager conducts an independent investigation.

This enhancement of the Open Door policy has been well-received, with the Open Door Helpline taking more than 28,000 calls from February 2013 through January 2014. This process continues to help us improve our business and bring closure to concerns in a timely manner, reinforcing our corporate culture and instilling Respect for the individual.



Building for the future

To align with Walmart's business needs and the world's changing demographics, we continually evolve our efforts to attract the best talent in a fiercely competitive labor market. By building a robust pipeline of talent and offering our associates unparalleled growth and career opportunities, we're building the Next Generation Walmart.

Recruiting

776,000 associates hired across the world, approximately 9,000 of which were hired into management positions in 2013.

People just beginning their careers choose to join Walmart. 70 percent of new hires last year were Millennials.

Career website enhancements

The importance of creatively reaching top talent in every corner of the globe has never been greater – and that has driven many of the enhancements made to our career website and social media platforms. The enhanced website was designed for optimum performance on a variety of devices, including personal computers, tablets and mobile phones, while taking into account the habits and tendencies of our target audience. The ability to apply using a mobile device is increasingly important to our applicants.

Improving our career website content areas around culture, benefits, hiring events and leadership programs, as well as adding keyword search capabilities, improved the candidate experience for the 15 million unique visitors that viewed more than 47.2 million pages on our website. In 2013, we received more than 50,000 applications per month for home office, distribution center, logistics and field management positions in the U.S., and approximately 3.7 million applications for store and club hourly positions in the U.S.



walmartcareers.wordpress.com

Recruiting social media presence

LinkedIn	330,572 followers
Facebook	49,151 fans
Twitter	19,929 followers
YouTube	13,623 views
GlassDoor	219,908 page views
Blog	37,220 views in 115 different countries

Awards and recognition



- The Talent Board's 2013 North American Candidate Experience Award
- MobileWebAward for Outstanding Mobile Website
- WebAward for Military Standard of Excellence for Walmartcareerswithamission.com

Social media and mobile

Sharing relevant career-related content to multiple social media platforms, including LinkedIn, Facebook, Twitter and Instagram, has given job seekers an inside look at what it's like to work at our company. We also launched a Walmart-branded GlassDoor page and the Walmart Careers blog in 2013 to expand our employment brand and messaging to external candidates. Together, those sources provide an opportunity to connect tech-savvy job seekers looking for career advice and job opportunities with our company.

College relations

In addition to our standard college recruiting efforts, we launched a new International Academy program in 2013. The International Academy program recruits students who have completed degrees at American universities to work in an accelerated program. It begins with a corporate position and ends in the international market that correlates with the student's home country in Brazil, China or Mexico.

Virtual interviewing

In addition to face-to-face interviews, virtual interviewing technology was leveraged to reduce expenses, while also allowing recruiters and hiring managers to meet the candidates. As a result of using GreenJobInterview (live two-way interviews) and HireVue (recorded interviews), we saved more than \$5.5 million in 2013 by conducting 5,000 virtual interviews.

In 2013, more than \$5.5 million saved with virtual interviews



Building for the future

Talent development



Developing our talent

Global Learning Management System (GLMS)

Our Global Learning Management System provides delivery, assessment and reporting on the full scope of critical learning activities to our associates. In 2013, we launched more than 80 million learning activities.

We're proud of the growth opportunities we provide our associates through access to optimum training, diverse experiences and education. We offer career advancement opportunities and grow our talent aggressively. Our Global Talent Management team develops existing talent through programs such as Mentor Me, the Business Leadership Series and Leadership Academy, all of which impact associates across the globe.

Executive Development Sessions (EDS)

This speaker series offers all officers exposure to various speakers and thought leaders. Sessions are typically held once per quarter and provide a variety of speakers, including authors, professors and business leaders. In 2013, topics included innovation, collaboration, trend spotting and business ethics.

Mentor program

Walmart's Mentor Me program empowers associates to take an active role in their development by providing resources, tools and events to encourage connectivity and drive effective mentorships. Open to all associates, Mentor Me is a self-directed program designed to assist in creating and sharing diverse knowledge, experiences and perspectives around the globe.

Summer internship program

We're committed to attracting, developing and retaining diverse talent across the

organization. Our corporate summer internship program attracts the highest-caliber students from a variety of colleges and universities, and provides an exceptional learning experience. Our interns represent a great variety of ethnicities and backgrounds, including African-American, Asian/Pacific Islander, Hispanic, Native American/Alaskan Native and Caucasian, and bring unique perspectives that are extremely valuable to the success of our program and business. They participate in a variety of developmental activities that provide exposure to senior leaders, mentors, associates across the organization and community service opportunities, while they build strong relationships with each other that can last throughout their career. The program's conversion rate has consistently been a success, with the majority of those in the 2013 intern class receiving job offers. In the summer of 2014, we'll welcome our next group of 275 interns to Bentonville, Ark.

Global leadership development

Learn the Business, International

and U.S. Audience: Learn the Business is a monthly informational series available to all associates which provides exposure into various business segments and to show how those areas impact our company goals and objectives. Associates benefit from the enhancement of business acumen to improve their business decisions and leadership skills. Learn the Business also offers senior leadership a forum to share valuable information about their business unit and to meet associates who have an interest in seeking career opportunities within the area.

Leadership Core:

Foundational, competency-based development for associates at all career levels to improve productivity. Leadership Core is composed of 70 courses and more than 150 hours of training that every business unit can align in order to develop its associates and meet its unique business needs. Leadership Core is designed to teach leadership skills that are unique and critical to specific levels in the organization.

Benefits:

- Integration with functional training and execution through associate training plans
- Customized content for Walmart associates based in the Walmart leadership context
- Diverse scenarios and case studies from all business units
- Blended learning delivery: e-learning, classroom training, self-paced worksheets, leaders as teachers
- Content directly aligned to Walmart's Universal Competency Model and our Basic Beliefs

Leadership Foundations:

I. Program affiliation

Leadership Foundations is a 12-month curriculum presented by Global Leadership Development, a part of the Global Talent Management Division of Wal-Mart Stores, Inc.

II. Relationship to knowledge base

Leadership Foundations is a series of entry-level leadership courses based upon the leadership profit relationship model. These courses present the participant with theories, concepts and skills targeting operational leadership and performance management.

III. Goal

The goal of Leadership Foundations is to provide participants with the opportunity to learn and practice operational leadership skills and associate management skills. Such skills should lead to an increase in associate engagement of participants' direct reports, thus leading to an overall increase in customer service, organizational vitality and, in turn, profit.

IV. Content

Leadership Foundations curriculum is divided into two delivery methods: classroom instruction and self-directed learning partnered with participants' managers. The classes cover a basic orientation and overview, a behavioral profiling assessment, multiple courses focused on intra- and interpersonal relationships, and a capstone event that challenges participants to utilize all the skills acquired during the program against a variety of leadership challenges. The program ends with a graduation ceremony that allows participants to reflect back on their leadership journey and prepare for future growth and development.

HR Development Series:

Monthly one-hour webinars that provide HR development for all HR associates throughout the company. The program also provides no-cost continuing education training to our HR associates for HRCI recertification hours for those who have their GPHR/PHR/SPHR certification. The program allows Walmart to leverage our internal talent for their personal development and the development of other associates. Topics that were discussed in 2013 include: ADAAA, FMLA, Employee Recognition, Culture, New I-9 Form, Worker's Compensation, Military Leave Law and Policy: USERRA, and Legal Employment Law Update. In 2013, 2,630 associates attended the HR Development Series.

Global People Academy:

Overall framework for all HR Development programs. The Global People Academy provides education, experiences and exposures to advance the leadership pipeline within the organization. As HR, we are always focused on providing development for the businesses we support. The academy is designed to help us focus on developing ourselves. Benefits to associates: empowers Human Resource associates at all levels to expand their skill sets and capabilities in their current positions and prepares HR associates for future positions. Benefit to the company: provides an internal talent pool of highly effective, promotable HR associates.

Walton Institute: Leads management associates through an in-depth examination of leadership in Walmart's culture. The program, founded in 1985, centers on understanding, internalizing, navigating and perpetuating Walmart culture. In 2013, more than 2,600 managers and directors from across the company attended 76 classes in 12 countries.



Building for the future

Talent development continued

52 senior executives completed
37% women 20% people of color

40 participants over **2** years
45% women 28% people of color

18 associates completed
61% women 39% people of color

28 associates completed
64% women 36% people of color

265 associates participated
12 sessions Asia, Canada, U.S.

High-potential programs

Developmental programs designed for top-talent associates provide exposure to all aspects of Walmart's global responsibility, including social and environmental issues. Participants are taught to understand the holistic business and to innovate in expanding the positive impacts of our global operations and footprint. Participants gain knowledge and form perspective on topics such as sustainability and women's economic empowerment, and their impact on our business, customers and stakeholders. These top-talent programs also focus learning on specific aspects of our business strategy. For example, a week in Leadership Academy focuses on the Increase Trust with Stakeholders imperative. By the end of our top talent programs, all participants have been immersed in understanding Walmart's unparalleled reach and potential as a positive force in the world.

Business Leadership Series 2.0: Development opportunity for our top talent from all divisions, functions and markets around the world. Company officers work together to develop cross-functional business knowledge and refine their leadership skills to prepare for expanded roles, build global networks and share best practices. Participants are nominated by their respective leadership teams, and sessions are facilitated by our CEO and other senior executives. In 2013, 52 senior executives participated in the program, 37 percent of whom were women and 20 percent of whom were people of color.

Key Leader Program: Facilitates open conversation on topics relevant to the success of Walmart and provides leaders opportunities to grow their networks across the company. Approximately 40 mid-level leaders from around the world participate in each development session. In 2013, 45 percent of participants were women and 28 percent were people of color.

HR Development Program (HRDP): Addresses the development needs of top talent within Human Resources on leadership competencies and business knowledge. The program audience consists of vice presidents and senior directors from Global People, International HR, home offices around the world, Sam's Club HR and Walmart U.S. Participants are identified by their respective leadership team and approved by Global People Division leadership. In 2013, 18 associates completed the sessions, of whom 61 percent were women and 39 percent were people of color.

Emerging Leaders: Delivers the developmental needs of top talent within Human Resources on leadership competencies and business knowledge. The program audience consists of senior managers and directors from Global People, International HR, home offices around the world, Sam's Club HR and Walmart U.S. Participants are identified by their respective leadership team and approved by Global People Division leadership. In 2013, 28 associates completed the sessions, of whom 64 percent were women and 36 percent people of color.

Global Leadership Institute (GLI): A selective program for top talent director and senior director associates from around the globe with a goal to grow their leadership skills through participation in assessments, personal coaching and group discussions. GLI was created to help leaders expand their capabilities and build the skills necessary to lead our company through the challenges we face globally. The program is in alignment with our Next Generation Walmart talent focus, as well as with our strategic corporate talent development objectives. This four-day session focuses on enhancing critical competencies, including strategy, global mindset and execution of results. In 2013, 265 associates participated in 12 sessions in Asia, Canada and the U.S.



"The Walmart International Academy creates the path for our leaders of tomorrow. Graduates hit the ground running."

– Doug McMillon, president and CEO, Wal-Mart Stores, Inc.

Building Opportunities through Leadership Development (BOLD) Women's Program

Walmart is on a mission to become the best place to work for women at all levels. BOLD is a global, selective, specialized leadership development program for female directors and senior directors. It's designed to prepare selected associates for expanded or next-level roles by targeting Walmart-specific leadership competencies, practicing skills essential to growth and development, and leveraging relationships with peers and company leaders.

The program, piloted in August 2013, is a two-and-a-half-day event, but the BOLD experience continues throughout the year, as participants complete a Pay It Forward project focused on advancing and developing Next Generation talent via the pillars of Walmart's Global Women's Strategy. A total of 94 women, representing nine divisions within Walmart, were nominated and attended in 2013.

BOLD provides exposure to senior leaders and the opportunity to learn unique lessons from those who have advanced through the company. Nearly 95 percent of the associates who went through the October 2013 session indicated that BOLD was one of the most valuable development experiences they've had as a leader.

Leadership Academy

This developmental program selects and systematically accelerates top talent leaders. Leadership Academy identifies top leaders at multiple levels throughout the business, develops them in a cross-functional environment, connects them to key executives and injects them back into the business as leader teachers. In addition to developing retail leaders, the course is designed to prepare participants to lead with a strong sense of global, environmental and social responsibility through special projects, intentional discussion and education. All divisions, functions and geographic regions of the organization are integrated into courses, and graduates are placed in new roles with a heightened sense of awareness and responsibility soon after completion of the program.

In 2013, Leadership Academy broadened its global reach to include associates from eight countries: Argentina, Canada, Chile, China, Costa Rica, India, U.K. and the U.S. A total of 134 associates completed the program, 49 percent of whom were women. More than 500 leaders have successfully completed Leadership Academy since its inception in 2008.

Walmart International Academy

Walmart's International Academy focuses on building talent capabilities at the inception of an individual's career and fuels a pipeline of high-performing talent to critical markets at a pace that successfully accommodates growth expectations. The Academy focuses on four functional areas: Merchandising, Replenishment, Logistics and Real Estate, and provides developmental opportunities for new hires and current associates. Each pillar of the program adheres to the standardized framework of on-boarding, training, experiential learning and capstone, with a specific focus on developing functional expertise. Participants receive strategically designed leadership development that allows them to return to their individual markets as Walmart cultural ambassadors and change agents. More than half of the program graduates are female, and a number of Academy graduates who have returned to market have been promoted or have shifted to roles where they have been given greater business responsibility.



Committed to ethics and integrity

Our culture of ethics and integrity – the attitudes and conduct that create an honest, fair and legal workplace – has been a constant throughout our history. It defines who we are as a company, and how we as associates treat each other, our suppliers and our customers.

"Trust and integrity are what underpin our entire business."

– Doug McMillon, president and CEO, Wal-Mart Stores, Inc.

Ethics and integrity



Global Ethics continues to ensure tools and resources provided to associates remain relevant, while promoting and recognizing ethical decision-making across our operations. In FY2014, we structured our global teams to provide world-class service through governance, systems, analytics, ethics training, awareness and corporate-support programs. In FY2014, we aligned Regional Ethics Officers with our international regions, EMEA, LATAM and Asia, and increased ethics staff in our international countries to support implementation and drive the execution of our ethics work. These changes are a result of our continued commitment to maintaining our foundation of integrity.

Ethics reporting and case management

Our governance is driven by the following:

Global helpline: Available where we source and in all operating markets, with additional local helplines.

Walmartethics.com: Website available in 14 languages and accessible globally, where stakeholders can ask questions, read our Statement of Ethics, submit ethics concerns and follow up on a previously reported concern.

Global case management system: A repository and a system to manage our cases.

Consistent case management process:

Our ethics associates are trained to follow the same procedures globally. This establishes consistency in the handling of any concerns raised by stakeholders.



Global Case Management System

This provides us a global view to identify trends, spot issues and identify the appropriate business leaders we can work with to implement systemic controls and prevent future issues.

Challenge

We're overcoming language and cultural barriers to make the global program more effective through strengthened relationships with our international associates.

Training

Ethics education aims to deliver a globally consistent experience for associates through:

New associate orientation materials for field and home office associates

Statement of Ethics e-learning modules for new and existing home office associates

Instructor-led ethics training for new home office associates, new or recently promoted officers and select field associates in the U.S. and international markets.

The Global Ethics Education program expanded to include further implementation of these training elements for enhanced consistency in our U.S. field and corporate facilities, the majority of our international field and corporate facilities, as well as our Global Leverage and eCommerce organizations.

Challenge

Technology and infrastructure constraints present challenges when deploying learning globally. To overcome this, Global Ethics has collaborated with Compliance and Human Resources to pilot and deploy a Learning Management System in select international markets. This multiyear project will yield a single, consistent platform for learning globally.

Statement of Ethics e-learning modules

- Ensures associates in our home offices around the world receive new-hire and ongoing training.
- Provides globally consistent ethics messages and key learnings about the Statement of Ethics.
- Establishes market relevance via local customization, branding and translation.



Meet Sanjeev Kumar, Associate, Best Price, India

Sanjeev received the Integrity in Action Award for declining an offer from a competitor for 25 percent of his annual salary every month in exchange for confidential pricing information. He promptly reported the incident, and his actions protected shareholder value and our customers.

Awareness

Ethics communications in each of our retail markets and business units around the world include the following:

Helpline/gifts and entertainment posters are provided for display in every Walmart facility.

Integrity in Action Award associate recognition program conducted annually.

Leadership Speaks Series, or similar senior leadership platform, where associates have the opportunity to hear local leaders discuss the importance of integrity.

Five-Minute Integrity Focus, or similar manager discussion tool, to foster dialogue between associates and managers about integrity.

Walmartethics.com local content reviewed and updated at least quarterly.

Our Integrity in Action Award program recognizes associates who demonstrate integrity through consistent actions and words, and inspire other associates to always do the right thing. By sharing associate stories, the program fosters and sustains our culture of integrity that has and will continue to drive our success.

The program is based on voluntary nominations received from our associates, who then vote to determine a recipient from each market. In 2013, we received more than 3,900 nominations and nearly 200,000 votes from our associates around the world. Fourteen recipients from 13 countries traveled to Northwest Arkansas to be recognized by Cindy Moehring, senior vice president and global chief ethics officer, at the International Associates' Conference. In addition, they were recognized by Rob Walton, Chairman – Wal-Mart Stores, Inc., in the opening of the company's Annual Shareholders' Meeting.

Five-Minute Integrity Focus

Our managers use this one-page tool to lead conversations about integrity with their direct reports and teams. It can be customized for different international countries, and topics are chosen monthly based on ethics case trends and business needs. This fosters an environment where associates feel comfortable discussing ethical dilemmas and questions.

Challenge

Message translation is a challenge across cultures. We continue to work with our in-country team members to find the right words and tone to ensure that our training and awareness materials are accurate and feel conversational to facilitate understanding.



Compliance and sourcing



So many ways to make a difference with our suppliers

Walmart's culture is built on a foundation of acting with integrity and the highest ethical standards. Our global compliance program is an extension of Sam Walton's belief in personal integrity and accountability for each Walmart associate, vendor and supplier. He said, "Personal and moral integrity is one of our basic fundamentals – and it has to start with each of us."

As we continue to grow globally, those words remain as important today as when he spoke them. With our growth, this core belief continues to shape our organization and compliance program. The company remains committed to strong and effective global compliance in every country where we operate. Recently, we've made further enhancements to the compliance programs in all international markets, focusing on processes, procedures and people. These steps reflect Walmart's commitment at all levels of our leadership to continually reinforce compliance function in our businesses around the world.

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Walmart makes a difference in the lives of people all over the world every day.





Compliance



Compliance program

A global approach

Walmart has maintained a compliance program in each of our markets for years. Throughout 2013, we brought together our 11 separate compliance organizations into a single, coordinated Global Compliance Program. Each of our 2.2 million associates worldwide has a role to play in operating a compliant business. A global approach to compliance is key to our efforts. Coordinating globally helps us to identify best practices in our international markets, as well as common challenges and goals that can be leveraged globally.

Our compliance organization is led by our global, U.S., international and e-commerce chief compliance officers, dedicated senior-level chief compliance officers and anti-corruption officers based in each market. These individuals work closely with our market corporate executive officers, but report directly to a central team at our Walmart Home Office in Bentonville, Ark. As a result of both hiring new associates and clarifying the role of existing associates, there are now more than 2,000 people working worldwide on our global compliance team.

Global compliance organizational structure

Global Chief Compliance Officer

Global
Anti-Corruption Officer
All retail & sourcing markets

International
Chief Compliance Officer
All international markets – 6,400+ stores

U.S.
Chief Compliance Officer
U.S. 4,000+ stores

Global eCommerce
Chief Compliance Officer
eCom operations – Brazil, China, U.S.

Responsible Sourcing
Vice President
All retail & sourcing markets

EMEA
Chief Compliance Officer

Asia
Chief Compliance Officer

Latin America
Chief Compliance Officer

Area overviews

Our goal is a consistent, risk-based, Global Compliance Program that leverages technology and subject matter expertise to drive transparency and accountability. The program focuses on 14 key areas:

Key areas	Description
Anti-corruption	We're dedicated to preventing the use of improper payments, or anything of value, including gifts, hospitality or travel, to secure any improper business advantage from an official or commercial party.
Anti-money laundering and financial services	We strive to offer our customers and members financial products and services in a safe, transparent and affordable manner, while protecting them from fraud and other financial crimes.
Anti-trust	We promote fair competition with other companies and organizations to prevent unfair business practices, such as agreements with competitors that fix prices or restrict trade.
Consumer protection	We work to provide accurate, substantiated and not misleading information to help our customers and members in their buying decisions.
Environment	We aim to preserve our natural resources and achieve full compliance with all applicable laws and regulations. Part of that commitment is working to ensure that all our facilities operate in compliance with applicable federal, state and local environmental laws, including the management of environment-related services.
Food safety	We support a global food safety culture to provide safe and affordable foods so people can live better.
Health and safety	We help protect the well-being of our customers and associates, and provide safe facilities in which to shop and work.
Health and wellness	We develop and monitor standard procedures to help ensure compliance with laws, regulations and best practices that govern patient safety, quality of care and privacy, product quality, patient access, billing, development of health and wellness associates and oversight of affiliated health care providers.
Labor and employment	We help ensure our associates are paid for the time they work and take legally required meals and breaks, and that we maintain compliance with all applicable labor and employment laws on discrimination, job classification and work authorization.
License and permits	We verify that we have all required licenses and permits in every market in which Walmart operates and that they are obtained in a timely and proper manner.
Privacy	We work to protect privacy by appropriately collecting, using, securing, retaining and disclosing the personal data of our customers, members, associates and business partners.
Product safety	We strive to offer our customers and members safe and affordable merchandise that meets the applicable legal standards.
Responsible sourcing	We drive responsibility in our supply chain and lead and inspire others to do the same.
Trade	We strive to ensure that we have policies and procedures in place to comply with import and export laws and regulations in each market.



Compliance

Compliance program continued

2013 program highlights



Over the past two years, we've spent more than \$120 million on enhancements to our global anti-corruption compliance program.

More than 750 professionals at external consultants have dedicated in excess of 440,000 hours to this project to date.

Anti-corruption

Over the past two years, we've focused on further enhancing our Anti-Corruption compliance program via:

- Communicating our ongoing commitment to anti-corruption compliance
- An improved organization structure that utilizes the best talent
- Risk assessments, robust standards and controls designed to prevent, detect and remediate violations
- Consistent training, monitoring and reporting

We provide training in a number of ways, including face-to-face discussions and computer-based learning modules on anti-corruption. Over the past two years, we've provided anti-corruption training to more than 100,000 key attendees globally, including those who are likely to have interactions with government officials or who are in a position of authority to influence the company's actions with regard to anti-corruption issues. This includes store managers, home office-level managers, finance associates and individuals who work in real estate and licensing groups, among others.

Leveraging technology to automate processes

Successful compliance programs use technology and systems to ensure consistency and effectiveness. In 2013, we used several important technologies to support and simplify compliance processes for our U.S. and international associates. By using or improving our technology, we can improve program consistency and effectiveness, while benefiting from faster implementation and reduced costs.

In one example this year, we expanded the use of a U.S.-based audit tool to each of our international markets. We also began centralizing our data collection systems to create a global view of our compliance practices and provide a mechanism to enhance our ability to monitor overall compliance risks. By using global mapping technology to consolidate information from otherwise disparate systems and disconnected sources, we are able to monitor large amounts of information, identify trends and take proactive steps to mitigate risk.

Following successful implementation in the U.S. of an automated food safety process and technology called SPARK (Sustainable



Paperless Auditing and Record Keeping), we started a project to roll out this technology to each of our international markets over the next few years. This system utilizes hand-held technology, Bluetooth communication and state-of-the-art temperature-measuring devices to monitor and track food safety compliance at every store from a central system.

Finally, technology is helping us train our global associates in a robust, consistent and accessible way. By using automated, computer-based learning modules, thousands of associates all over the world can be trained simultaneously and efficiently on compliance responsibilities specific to their jobs. And since the process is delivered via a centrally controlled system, we can ensure consistency of content and track completion rates. This technology was successfully leveraged in the U.S. and a number of international markets during 2013 and will be expanded to include all markets in the near future.

Fraud and money laundering protection

We're committed to offering our customers financial products and services in a safe, transparent and affordable manner, while

helping to protect from fraud and other financial crimes. In 2013, we enhanced customer receipts for international remittances to include fees, exchange rates, currencies and regulatory disclosures in an effort to ensure our customers have this useful information and to ensure compliance with regulatory requirements. Approximately 70,000 associates received training as part of this initiative.

We've also invested in our leading anti-money laundering monitoring system, in order to improve identification and investigation of suspicious financial activity and reporting to regulators. Finally, we know our associates are an important line of defense in protecting our customers and our business. So, in 2013, we invested in additional fraud and money laundering prevention training for new store managers and cashiers. To date, we've trained 167 new store managers and 83,472 new cashiers.

Global associates trained

**Anti-corruption
100,000 associates
in the past two years**

**Fraud
70,000 associates
in 2013**

**Anti-money laundering
167 new store managers
83,472 new cashiers
by the end of 2013**

Compliance

Labor and employment



Ensuring fairness and consistency

Globally, we're committed to fair and consistent employment practices. We've created a framework for global compliance with applicable labor and employment laws, and identified seven universally fundamental areas that will provide strategic guidance for domestic and international employment compliance efforts. They are:

- Pay
- Breaks and meals
- Benefits
- Labor relations
- Anti-discrimination
- Job classification
- Work classification

We've undertaken several recent initiatives to support progress in these seven areas. For example, in the U.S., a cross-functional team – including operations compliance, realty, health and wellness, and legal – assessed accessibility compliance with the ADA for our stores and clubs. The team then developed action plans to resolve any outstanding issues.

In 2013, we conducted a global risk assessment of our labor and employment practices across our seven fundamental areas. We've identified current compliance priorities for each market, and we're partnering with the market compliance teams to address them.

Licenses and permits

As we deliver on our promise to help our customers save money and live better, it's important that each of our facilities open and operate with all licenses required to sell the product assortment our customers need and want. In 2013, our U.S. license and permits team handled more than 60,000 license renewals and obtained more than 2,900 new licenses for over 1,300 new, relocating, expansion and remodel projects (99.98 percent license execution rate).

Internationally, we're developing an enhanced global licensing management system that will be launched in 2014 to support the procurement and maintenance of licenses in all our retail markets. This system will provide a centralized repository of documentation associated with licensing and permits, in addition to allowing each market the ability to customize tracking methods.

Operations Compliance

In our U.S. facilities, the Operations Compliance team regularly visits each store to monitor, teach and train. In 2013, we began a process to develop similar formal teams in each of our international markets. This year, the U.S. team's efforts have included:

Right Start training: Consistent with our commitment to "The Right Way Every Day" operating philosophy, the operations compliance field team conducted more than 120 Right Start training programs in our facilities in 2013. These training programs allow us to collaborate with and engage with our operators to create, build and influence a culture of compliance through training initiatives.

Compliance National Oversight Program (C-NOP): We strive to provide a safe and compliant environment for the customer shopping experience and associate work environment, and we measure compliance performance results. In 2013, we used the C-NOP to help improve our compliance scorecard results through: 18,000 compliance support contacts, more than 3,300 compliance focus walks, more than 1,800 in-store trainings and 33 targeted compliance deployments, covering more than 1,000 store visits. Our store-level compliance scores improved from 83 percent in 2012 to 87 percent in 2013.

Pricing accuracy programs: Our customers count on us for low prices. We continue to help our associates understand that our lowest advertised price is nothing less than our promise – and to deliver on that

promise. Working with the Weights and Measures Compliance team, we developed key strategies to help operations meet core pricing accuracy standards. The Operations Compliance field team conducted oversight programs covering more than 28,000 Pricing Integrity Assessments, more than 65,000 Scale Accuracy Checks, weekly operational routines and ongoing training.

Alcohol, tobacco and firearms (ATF):

Some of our facilities in the U.S. sell alcohol, tobacco or firearms. The U.S. compliance team includes an ATF Compliance team to address the regulations applied to these products. In 2013, we made substantial enhancements to our ATF compliance program. The team furthered firearms compliance by enhancing our training program with a robust Firearms Sales Authorization process to ensure all associates who sell firearms receive appropriate training. We also drove improvements to our firearms sales system to reduce the most common errors that occurred in sales compliance documentation. Finally, we limited the associates who can sell firearms to: store management, zone management supervisors, sporting goods associates and support managers.



Safety



Food safety

Raising the bar on food safety

As we expand our food sales footprint across our retail markets, our goal is to bring affordable food to our customers, while continuously raising the bar on food safety.

SPARK (Sustainable Paperless Auditing and Record Keeping) is a technology-based system utilized by our associates in completing food safety tasks in our stores and clubs. The SPARK system utilizes innovative hand-held technology, Bluetooth communication and a state-of-the-art temperature-measuring device to enhance our food safety management system at store and club level.

The hand-held system provides us with a platform to manage food safety with the highest level of confidence by capturing more than 5 million food-safety-related checks on a monthly basis. This level of food safety verification far exceeds the level of oversight that can be provided by third-party or regulatory inspections. The data collected have changed the paradigm on how we manage food safety.

- Simplification of use
- Risk reduction
- Promote desired behaviors and task
- Instructional
- Visibility
- Accountability

SPARK allows us to capture important data with the ability to drill down to store/club level. This capture of real-time data has helped in identifying specific patterns or trends to help ensure our customers are purchasing food products that are not only safe but also of the highest quality.

As Walmart continues to expand operations in multiple countries, the SPARK system will continue to mitigate risk and drive a culture of food safety around the world in helping to achieve the desired food safety behaviors. We will continue to leverage the SPARK system as we incorporate the technology into our global markets.



SPARK overview

- Web-based alerting for scheduled food safety checks
- Icon-driven tasks tied to our Food Safety High Five
- Prompted corrective actions
- Real-time reporting and data capture
- Elimination of paper-based food safety processes

Product safety

Privacy

Our CEO, Doug McMillon, has emphasized the importance of building trust with our customers as we use data to provide them the products and services they need. To that end, the health and wellness privacy compliance team has aligned policies, procedures and processes in our health and wellness divisions with new privacy regulations. This includes giving patients electronic access to their protected health information, updating our breach risk assessment process, revising our notice of privacy practices and implementing a process for restricting disclosure to health plans on cash-paid prescriptions upon patient request.

Environmental compliance

2013 U.S. environmental compliance inspections



Expanding global product safety initiatives

We offer our customers and members quality merchandise at low prices so they can live better, but not at the cost of safety. We understand safety is among the top considerations of our customers and members, and we work with our suppliers and government agencies to help make sure the products we sell meet or exceed regulatory standards.

In 2013, we expanded our global product safety teams by hiring product safety experts to further develop the program and drive execution through leadership, risk assessments, standards/controls, communication, training and monitoring/response functions.

International product safety summit

In November 2013, the International Product Safety Team hosted a first-of-its-kind summit in Leeds U.K., attended by teams from the U.S., Canada, U.K. and South Africa. The three-day workshop utilized the experience of these markets to guide the development of an enhanced product safety program for our developing markets. Four of our largest international consumer product testing labs attended and were instrumental in discussions related to what other global companies are doing and how best to build a scalable and sustainable program.

Committed to preserving our natural resources

We're committed to preserving our natural resources and achieving full compliance with all applicable environmental laws and regulations. Our industry-leading environmental compliance programs help ensure that we properly and sustainably manage sewage, stormwater, waste, air emissions and recyclable materials at our facilities.

In 2013, more than 1,800 inspections were conducted in our retail facilities by environmental regulatory agencies. No significant deficiencies were found in 96 percent of these inspections, with 4 percent resulting in a corrective action.

Environmental services – electronic data capture

We continue to invest in technology and build efficiencies in our U.S. environmental technology program in order to respond to regulatory agencies quickly, while ensuring everyday low prices.

For example, in order to save paper and streamline data collection, we developed a program for field electronic data capture of water compliance service data. Now, 75 percent of our wastewater pretreatment contractors and all of our stormwater contractors are able to capture data directly via tablets and smartphones. This change has allowed us to eliminate more than 300 reams of paper and nearly 10,000 labor hours, while becoming more responsive to water compliance regulatory agencies.

Internationally, we're enhancing our existing programs by establishing the six building blocks on top of existing market programs to proactively address emerging environmental challenges.

In 2013, the international environmental compliance team traveled to China to learn about local operations and share ideas and best practices. Numerous enhancements have since been made to Walmart China's environmental programs, including improved waste management and material storage.

Safety

Health and safety

photo right: In 2013, Walmart driver Gary Harms of Ottawa, Kan., was crowned American Trucking Associations' National Truck Driving Championship Grand Champion.



Private fleet safety

Our industry-leading results in the Federal Motor Carrier Safety Administration's (FMSCA) Compliance, Safety, Accountability (CSA) program has positioned Walmart prominently at American Trucking Association's (ATA) annual National Truck Driving Championship. Our fleet drivers consistently rank among the safest in the industry.

Creating a safe workplace

We're committed to providing our customers and associates safe facilities in which to shop and work.

Internationally, our operations teams have embraced key steps to further improve the safety of customers and our associates in the event of an evacuation, including:

- Enabling fast evacuation by keeping aisles and exit doors clear.
- Maintaining fire equipment that is operational and ready to respond.
- Training staff to assist customers and other associates out of the building in the event of a fire or other emergency.
- Training staff on fire prevention activities related to safe use of extension cords and power strips and promoting good housekeeping.

Through this process, store management is trained on clear and simplified techniques to ensure store exits are clear and associates are familiar with their role in the emergency evacuation process.

Walmart U.S. Powered Lifting Equipment training

In 2013, the Safety and Talent Development departments partnered together to enhance associate safety by upgrading and automating our Powered Lifting Equipment (PLE) training program. Highlights include restructuring our PLE Trainer certification program, replacing a manual record-keeping process with a centralized, electronic system, and retraining and recertifying of more than 91,000 associates.

The electronic system referenced above is the Global Learning Management System (GLMS). The introduction of the GLMS required all current PLE operators to go through the

PLE certification process, regardless of their expiration date, in order to get their training records captured electronically. With migration to the GLMS, store personnel can now utilize the GLMS to proactively identify certifications that are due to expire. This improved tracking enhances compliance.

In addition, Walmart added training in the GLMS to certify associates as PLE trainers in their stores. This training provides associates with the information and training they need to be able to train and certify other associates to become PLE operators.

PLE certifications by equipment

Equipment	Number of certifications
Electric pallet jack	60,752
Scissor lift	32,579
Forklift	42,347
Stock picker	12,559
Walkie stacker	79,325
WAVE	4,882
TOTAL	232,444

Updated Jan. 15, 2014

Through Feb. 11, 2014, more than 22,000 associates had been certified as PLE trainers.

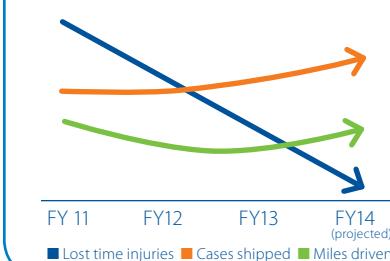
I Own Safety

In September 2013, the Walmart U.S. West Business Unit launched the I Own Safety program, which was created to further reduce accident exposure and costs through recognition and accountability. In accordance with this program, salaried members of management write up an I Own Safety card and publicly deliver it to an associate when they observe them exhibiting safe work behaviors. Management also provides

feedback and support to associates through developmental conversations when associates demonstrate unsafe behaviors.

To date, more than 230,000 conversations regarding safety have occurred between associates and management, and 75 percent of the total I Own Safety conversations involved recognition of safe work behaviors. Based on the positive results we've seen in the West Business Unit, the program is being expanded to include the East and Central Business Units in 2014.

Cultural behavior trends



OSHA recordable incident rates – Walmart and Sam's Club vs. industry



Industry Data Source: Bureau of Labor Statistics (BLS.gov), NAICS Code 45291

Incident Rate = (Number of injuries and illnesses X 200,000/Employee hours worked. Note: The 200,000 hours in the formula represents the equivalent of 100 employees working 40 hours per week, 50 weeks per year and provides the standard base for the incidence rates.

Sam's Club

To help ensure equipment is functioning correctly, Sam's Club management uses hand-held computers to perform equipment safety inspections on both a daily and weekly basis. The inspection data is available for review on a real-time basis, allowing management to initiate timely repairs and determine areas for continued improvement.

Logistics

Throughout our distribution centers, we strengthened our culture in 2013 by focusing on the three "C's":

- 1. Compliance** – necessary foundation
- 2. Commitment** – visible leadership with associate ownership
- 3. Company Culture** – constantly evolving

Using the three "C's" as the foundation for our business, we invite our logistics associates to take an active role in identifying improvement opportunities. By

implementing several of their suggestions, we've been able to increase the number of cases delivered, reduce miles driven and cut lost time due to injury by nearly 50 percent.

In order to create a more comprehensive program to better support Walmart Logistics, we combined Logistics Fleet Safety into Logistics Compliance, Safety and Asset Protection. This new structure lends its diverse talent, technology and systems to support compliance efforts across our logistics network.

Health and wellness

Globally, we're committed to the highest standards of patient safety, quality of care and quality of the health and wellness products we sell. We electronically fill orders for controlled substances with high-abuse potential. The system provides electronic tracking of controlled drug movement, which

helps eliminate potential human error during the packing of orders, filling and retention of records. It also provides proof of delivery of orders. The electronic system is compliant in every state in the U.S. and is the DEA's preferred transmission method.

Internationally, we're focused on further developing and monitoring standard procedures and programs for our health and wellness offerings to ensure compliance with the laws, regulations and best practices that govern patient safety, including:

- Quality of care
- Product quality
- Patient access
- Patient privacy
- Insurance billing
- Development of health and wellness associates



Responsible Sourcing



Focused on respect

Respect is a core value at Walmart. This includes respect for the men and women who make the products we sell. We expect the men and women in our supply chain to be provided with a safe and healthy working environment and to be treated with dignity.

Responsible Sourcing is part of Walmart's 14-point Global Compliance Program, serving as the bridge between our internal compliance efforts and our global supply chain. As a key area of compliance, Responsible Sourcing sets policy and monitors compliance and remediation activities of suppliers and factories in our global supply chain for:

- **Anti-corruption**
- **Anti-money laundering**
- **Environment**
- **Health and safety**
- **Labor and employment**
- **Licenses and permits**

Responsible Sourcing staff locations



"World Vision has been honored to work with the Walmart Foundation, an organization with strong dedication to investing in innovative initiatives that have global impact. Our organizations share a common goal of helping people to live better and to provide a better life for their families. In Central America, through our collaboration in this historic Global Women's Economic Empowerment (WEE) initiative, our shared goal is achieved when we hear heartfelt stories from women whose health and well-being have been absolutely transformed through their participation in the WEE program. WEE is positively affecting both their work and family engagements. The factory owners and managers also report a more productive workforce that is improving their businesses. As such, we have witnessed first-hand the significance that our strong organizational collaboration has on driving meaningful change for many thousands of women and their communities around the world."

– Cheryl Ennis Self, executive director, Global Social Partnership, World Vision

As part of the Global Compliance organization, we're reinforcing the fact that responsible sourcing throughout our supply chain is embedded in the Walmart way of working and core to our business.

We also continue to positively influence the global supply chain, by raising standards and by working with other brands, retailers and stakeholders to improve the working conditions in the countries from which we source. In 2013, we made important enhancements to our Responsible Sourcing program in three key areas:

- Empowerment:** Empowering workers, suppliers, factories and our own merchants through training, capacity-building programs and ongoing support.

- Worker safety and well-being:** Focusing on worker safety and well-being in our supply chain by verifying compliance with our standards through continued social and safety audits; strengthening labor and environmental practices in farms and factories that supply us with merchandise; and proactively collaborating with other brands, retailers, governments and key stakeholders.

- Transparent supply chain:**

Promoting transparency in our supply chain by releasing the results of our in-depth factory assessments in Bangladesh and working with industry and stakeholder partners to share best practices and collaborate on sustainable solutions to challenges facing the global supply chain.

As we continue to grow our Responsible Sourcing program, we are expanding our international responsible sourcing team. Currently, we have more than 140 Responsible Sourcing associates working in our market and sourcing offices around the globe.



**Rahima Begum:
BSA Group Factory,
Chittagong, Bangladesh**

Rahima was born in a village in Southwest Bangladesh. Because she married young, she wasn't able to finish her education. Nineteen years ago, Rahima left her marriage and took her son and daughter to Chittagong to find work. For the past 11 years, she's worked at BSA Group Factory.

In 2013, Rahima participated in the Women in Factories training program funded by the Walmart Foundation and was then nominated by her factory management to participate in the advanced training course, as well as a four-month functional literacy program.

Following the advanced training, Rahima's worklife has improved. Her supervisor appreciates her problem-solving attitude and counts on her to accurately count the production pieces. Rahima said, "I'm grateful for the [Women's] Economic Empowerment program. It supports and empowers us."



Responsible Sourcing

Empowerment

"I was so happy to have had the chance to be a part of the training workshop. I'd participated in workshops before, but none of the others were as fulfilling as this one. Thanks to the communications class, I've become a more assertive person, and it's having a direct impact in my workplace. The training has also helped to boost my self-confidence and increase my self-esteem."

– Marta María Dubon, worker
Impression Apparel Group,
El Salvador

Seeking lasting solutions

At Walmart, our goal is to provide lasting solutions to the complex issues that are part of the global supply chain. That's why we're investing significant resources in proactive programs that empower workers and build the capacity of factories and suppliers.

Women in Factories training

In 2011, Walmart and the Walmart Foundation launched the Women in Factories training program. Through this five-year initiative, Walmart and the Walmart Foundation work with NGOs in India, Bangladesh, China and Central America to provide critical life and work skills training to at least 60,000 women in the supply chain.

The curriculum, developed in partnership with CARE, an international NGO, provides women and men with the fundamental life and work skills necessary to be successful in the workplace, at home and in their communities. Of the 60,000 women receiving training, 8,000 high-potential women are offered advanced training, with a focus on management and leadership skills, as well as in-depth instruction on work and life skills. While our focus is on women, we extend training to both men and women working in the factories.

Our progress by the end of 2013

	Participating factories	Female graduates	Male graduates	Total
Foundational training	40	27,441	7,499	34,940
Advanced training	16	799	N/A	799

Advanced Training is provided to 100 women per factory who demonstrate high potential for promotion.



India

In India, the training program is facilitated by SWASTI, a recognized Indian NGO and health resource center.



Bangladesh

In addition to developing the training curriculum, CARE is also facilitating the training in Bangladesh.



Central America

In 2013, we worked with World Vision, a global NGO working in nearly 100 countries, to launch the training program in Central America.



China

In 2013, we worked with Business for Social Responsibility (BSR), a leading international NGO, to launch the retail training program in China.

Supply chain capacity building

Building relationships for improvement

We're committed to building strong relationships with our suppliers and their factories, helping develop the capacity necessary to improve working conditions in the supply chain. Through our Supply Chain Capacity Building program, we're helping provide our partners with training they need to make continuous and sustainable improvements.

Factory Audit Orientation

Our Factory Audit Orientation is designed to provide new factories and suppliers in Walmart's supply chain with training in the following areas:

- Walmart's Standards for Suppliers
- Social and environmental compliance
- Enhanced fire safety requirements
- Chemical and machine safety
- Dormitory and canteen standards
- Audit scope and factory disclosure
- Factory audit process, results and consequences
- Country- and region-specific trends, laws and best practices
- Effective corrective action plan development

In 2013, 4,598 factories participated in Factory Audit Orientation.

Violation Correction Training

Factories with higher risks observed during audits are requested to attend Violation Correction Training so we can provide them with a better understanding of our Responsible Sourcing program and requirements under Walmart's Standards for Suppliers. Violation Correction Training addresses common trends related to social and environmental compliance, with special focus on locally relevant topics. Through training in root cause analysis, factories are able to develop corrective action plans to remedy potential violations. As part of our audit program, factories are assigned colors based on the severity of issues found.

Orange School Program

The Orange School Program provides one-on-one, hands-on training to select factories and suppliers. By focusing on the fundamentals of root cause analysis methodology and procedures, we teach factory management to proactively identify noncompliance issues and develop a systematic approach to continuous improvement. In 2013, 89 factories completed the Orange School Program, and 30 additional factories are currently undergoing training.

Supplier Development Program

Through Responsible Sourcing's Supplier Development Program, we proactively work with our suppliers to help improve standards and effectively manage their factories. To participate, a supplier must be nominated by a business associate within Walmart. A consulting team then works with the supplier to conduct a thorough analysis of every area of the business that impacts performance in responsible sourcing and develops a customized plan that unlocks meaningful improvement. In 2013, 68 suppliers took part in the Supplier Development Program.

Supplier Round Table

The Supplier Round Table is a forum for our suppliers, factories and stakeholders from similar sourcing regions to come together and discuss concerns and share best practices. The sessions are focused on responsible sourcing goals, as well as objectives and current challenges across their region. In 2013, there were 41 global Supplier Round Table sessions, with 633 participating factories and 436 participating suppliers.

Empowering workers in Bangladesh

We know the most effective way to increase workplace safety is by empowering the workers. That's why, in addition to our Women in Factories and Supply Chain Capacity programs, we're investing in additional safety training in Bangladesh.

Through our work with Bureau Veritas, our goal is that each and every worker in factories producing merchandise directly for our suppliers in Bangladesh be trained on fire safety procedures.

We've also contributed \$1.6 million to the Institute of Sustainable Communities (ISC) to support the newly created Environmental, Health and Safety (EHS) Academy in Bangladesh. Through the EHS Academy, apparel manufacturers in Bangladesh will have access to high-quality, affordable and comprehensive training on fire safety and environment, health and workplace safety. In addition to funding, Walmart will also provide technical support and advice to ISC. The goal of the academy is to provide a local, long-term platform for addressing challenges in the supply chain related to fire safety through technical training and engagement.

Finally, through our participation in the Bangladesh Buyers Forum (BBF), Walmart has collaborated with 18 other brands to create a training program to increase fire safety awareness among our suppliers and their employees in garment factories. With an expected reach of more than 3,000 exporting garment factories in Bangladesh, the Bangladesh Garment Manufacturers & Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) are providing training for factory management on the use of the films as educational tools.



Worker safety and well-being

Driving safe, healthy and respectful workplaces

We believe all workers, no matter where they live, have the right to a safe working environment. As part of our commitment to sourcing responsibly, Walmart continues to enhance our program to drive healthy, safe and respectful working environments for workers in our supply chain.

Standards for Suppliers

The safety and well-being of workers across our supply chain is the Responsible Sourcing group's top priority, which is why Walmart suppliers are contractually required to sign our Standards for Suppliers before they're approved to produce merchandise for sale at Walmart. These Standards for Suppliers make clear our fundamental expectations for suppliers and factories regarding the treatment of workers and impact on the environment. Suppliers are also required to display our Standards for Suppliers in the local language in all factories where products are made for us, so workers know our expectations of suppliers and factory management. To view our Standards for Suppliers manual, go to <http://corporate.walmart.com/global-responsibility/ethical-sourcing/ethical-standards-resources>.

As part of our commitment to worker safety and well-being in the supply chain, Walmart updates the Standards for Suppliers regularly. In 2013, we made several important updates, including:

- **Combating unauthorized subcontracting:**

Unauthorized subcontracting continues to be an issue across the global supply chain. Because of this, we implemented policies in 2013 to address unauthorized subcontracting by Walmart suppliers. This includes any undisclosed subcontracting, with or without the supplier's knowledge.

- **Enhanced fire safety standards:**

In addition to the enhanced fire safety standards we implemented for Bangladesh, we released our enhanced global fire safety

standards in December 2013. These reflect an increased focus on achievable actions that drive meaningful and continuous improvements in fire safety. They were developed by Walmart's fire safety experts and include the input of more than 100 merchants and suppliers who submitted more than 500 comments during the drafting process.

Audit process

To help verify that the requirements in our Standards for Suppliers are met, we've invested in comprehensive social audits across our global supply chain. Our audits review a factory's practices to verify that:

- They meet or exceed our requirements
- All labor is voluntary
- Children aren't used in the production of merchandise for Walmart
- Workers are properly paid for all hours worked
- Hours aren't excessive and are consistent with local laws or regulations
- Factories provide safe and healthy working conditions

Walmart's responsible sourcing audits are conducted in facilities that produce direct import merchandise, Walmart-owned, proprietary or exclusive brands, Walmart-branded merchandise and merchandise that is nonbranded. Walmart also reserves the right to inspect the facilities of any supplier outside this scope at any time.

All of our facility social audits are conducted by independent accredited and internationally

recognized auditing firms. Facilities are then reaudited every six to 24 months, depending on the findings of the previous audits. To make our auditing program more effective, we focus our efforts on unannounced audits.

The social audit results are assigned a color rating by the Responsible Sourcing team, based on type and severity of issues found. Walmart uses these ratings to help make decisions about suppliers and factories – whether to develop them, make them a preferred supplier or to stop doing business with them.

- **Green:** minor to no violations; the factory will be reaudited within two years.
- **Yellow:** medium-risk violations; the factory will be reaudited within one year.
- **Orange:** higher-risk violations; the factory will be reaudited within six months; if factories receive three orange ratings in a two-year period, the factory may be disapproved and prohibited from doing business with Walmart for at least one year, after which they must pass a reactivation audit and receive a green or yellow rating.
- **Red:** most serious violations; may warrant no future business with Walmart.

In 2013, 20,322 assessments were conducted across 15,027 active factories. Of these, 1,016 were conducted through the ILO/Better Works Program or the International Council of Toy Industries CARE process. If a factory fails to meet our Standards for Suppliers, it must take corrective action to improve its performance or the factory may not be permitted to produce Walmart merchandise.



Audits

A risk-based approach to audits

In 2014, we'll begin the process of moving to a risk-based system, whereby our auditing scope and content will evolve each year to more effectively address current industry challenges.

Retail market compliance

The merchants who buy from factories are a key component of our responsible sourcing efforts. To help our merchants drive socially responsible behavior in the factories from which they source, we provide them with training on responsible sourcing issues.

Internal sourcing practices

We're committed to making sure our merchants, sourcing teams and suppliers are working together to make responsible sourcing decisions.

In August 2013, we launched a responsible sourcing training module for all merchandising associates who work directly with our suppliers. The goal of this training is to help our merchandising and sourcing associates take ownership of responsible sourcing practices. They help factories understand the impact their decisions have on the supply chain and how they can mitigate risks through better planning and supplier relationship practices.

We're also partnering with Walmart's Talent Development team to develop responsible sourcing training for all Walmart buying teams. The Responsible Sourcing team will receive biannual scorecards that detail results of the training.

Worker helpline

We believe worker voice is key to ensuring safety and well-being across the supply chain. That's why we require factories producing merchandise for sale at Walmart to display, with our Standards for Suppliers, a toll-free phone number, email address and website where workers can anonymously report concerns in their local language. All reports are collected by a third party and directed to our Global Ethics office for investigation.

Bangladesh

While we're taking an overall global approach to worker safety and well-being, we also recognize there's a need for heightened attention in countries such as Bangladesh. In 2013, we implemented and/or strengthened certain factory requirements to address the most serious concerns in the Bangladeshi ready-made garment industry.

As part of these new requirements, we will not permit production of merchandise for sale at Walmart in facilities that have one or more of the following structural fire safety characteristics:

- A residential building that has been converted into an industrial facility
- Facilities in a multistory building with a ground-floor marketplace or commercial shops on any floor

- Facilities in a multistory building shared with other enterprises under separate ownership
- Facilities with a rooftop that is partially obstructed (must be 100 percent clear)
- Facilities where a residence is located within the building

Walmart has also contracted Bureau Veritas (BV), a globally respected leader in assessment services, to conduct fire, electrical and building safety assessments at factories producing goods directly for our suppliers. The factory safety assessment process requires engineers to visit each factory multiple times during the assessment phases. Throughout the assessment, BV engineers identify potential safety issues, and factory management develops remediation plans.

BV engineers also provide fire safety training to management and certain employees, including supervisors, designated fire marshals, fire brigade members and security personnel, who, in turn, train the entire factory population. Information on the assessment process is available on our corporate website at corporate.walmart.com.



Responsible Sourcing

Transparency



LEAN

Our team at George, Walmart's private-label clothing line, has worked with 17,000 workers in 34 factories in Bangladesh to implement the LEAN Manufacturing program. The LEAN program is designed to streamline production processes and invest in worker skills training. Starting in 2014, George plans to roll out the LEAN program in factories in China, India and Sri Lanka. Additionally, over the next five years, George will train a minimum of 10,000 workers in LEAN principles through the George Supplier Academy program. You can find more information on the LEAN program and the George Supplier Academy in George's Doing the Right Thing report here: http://your.asda.com/system//12/18_01_20_680_George_DTRT_Report_2012_FINAL_SPREAD_.pdf



Ensuring factory accountability

At Walmart, we believe transparency improves worker safety. Transparency is a good accountability tool and facilitates collaboration by providing everyone with a window into conditions at individual factories.

Bangladesh in-depth safety audits

As part of our commitment to transparency, we're releasing the results of the Bureau Veritas in-depth fire and building safety assessments on our corporate website. To our knowledge, this is the first time a retailer has published the results of factory assessments on this scale.

The results through the end of 2013 show factories have made substantial improvements over the past year that are helping to ensure safer conditions for thousands of workers in Bangladesh. For example:

- The average electrical rating improvement of this group of factories is 48.27 percent.
- The average building safety improvement of this group is 29.53 percent.



For more information on these audits and to see specific results, go to: <http://corporate.walmart.com/global-responsibility/ethical-sourcing/promoting-responsible-sourcing-in-bangladesh>



U.S. agriculture and aquaculture

In the U.S., we've increased our focus on buying products from local suppliers and farmers. While this is a good thing for local farmers, communities and business owners, we recognize the initiative presents unique challenges to small suppliers who may not have the resources necessary to implement our responsible sourcing requirements.

To support these local suppliers, in 2012, we launched a program to better understand our U.S. agriculture and aquaculture supply chain. We're looking deeper into our supplier facilities and processing centers, including farms and fresh-packing facilities. In 2013, we gained visibility into the more than 700 suppliers and 6,000 facilities in the U.S. agriculture and aquaculture supply chain for both Walmart and Sam's Club.

We've also developed a comprehensive program, including education, training and capacity building, to enable suppliers and their facilities to better meet our expectations. As part of this program, in 2013, we hosted 20 live supplier summits and three webinars.

We continue to work with industry associations on the farmer education program. For example, we're currently working with

Oxfam to identify suppliers to pilot their Equitable Food Initiative. We're also working with other brands and suppliers on a multistakeholder initiative commissioned by Walmart and being driven by Verité.

Informal supply chain

We're committed to supporting the informal supply chain, which ranges from the small supplier to artisan home workers. These suppliers bring innovation of products and designs to our customers.

The nature of the informal supply chain makes it difficult to verify that workers are provided a safe environment and treated with dignity and respect. These products are often produced in microfacilities, homes or community centers where traditional audits are difficult for small suppliers to support.

In order to better support our suppliers in the informal supply chain, we're creating an enhanced framework for validating that our standards are being met. In 2013, we began a basic mapping process to understand the countries and industries where products are being produced for Walmart via the informal supply chain. We're also identifying third-party organizations that can validate our standards are being met by small suppliers.

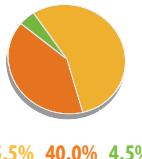
Global audit results

- Active factory status is shown in pie charts.
- The audit rating table reflects percentage of all factory audits conducted.

Green	Yellow	Orange	Red denied	Red disapproved	Red unauthorized
Low-risk	Medium-risk	Higher-risk	Higher-risk	Egregious	Egregious
Reaudited after two years	Reaudited after one year	Reaudited after 180 days	Reaudited as soon as possible	Barred from business with Walmart for one year	Indefinitely barred from business with Walmart

Region A

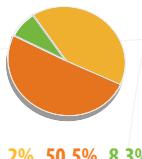
Cambodia
Indonesia
Malaysia
Vietnam



2013	1.5%	16.3%	61.1%	0.8%	0.1%	0.0%
2012	3.2%	33.3%	31.8%	2.2%	1.0%	—
2011	2.3%	33.8%	29.1%	0.6%	0.2%	0.2%

Region B

India
Sri Lanka



2013	3.5%	27.1%	67.5%	0.9%	0.0%	0.9%
2012	5.4%	47.8%	45.0%	1.1%	0.3%	0.1%
2011	9.1%	66.1%	22.9%	0.8%	0.2%	0.4%

Region C

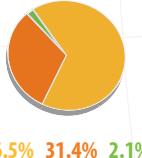
Europe
Turkey



2013	12.1%	31.4%	56.0%	0.5%	0.0%	0.0%
2012	17.3%	71.1%	10.5%	1.2%	—	—
2011	17.5%	71.7%	10.3%	—	—	—

Region D

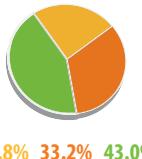
China
Hong Kong
Japan
Philippines
Taiwan



2013	0.7%	35.4%	55.8%	0.9%	0.9%	0.0%
2012	0.9%	58.8%	23.3%	1.4%	1.7%	0.2%
2011	1.4%	55.0%	24.9%	0.9%	1.5%	0.2%

Region E

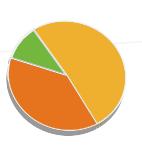
Central America
North America
South America



2013	23.0%	17.4%	58.2%	0.7%	0.0%	0.0%
2012	29.3%	50.5%	18.6%	0.6%	0.1%	0.1%
2011	48.0%	37.4%	13.8%	0.7%	0.1%	—

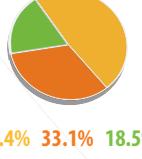
Region F

Africa
Bangladesh
Israel
Jordan
Pakistan



2013	4.9%	28.6%	48.3%	0.8%	0.3%	7.7%
2012	3.4%	61.5%	25.8%	1.0%	0.9%	3.5%
2011	2.7%	51.9%	30.7%	1.0%	0.9%	11.0%

TOTAL



2013	7.1%	29.2%	57.0%	0.8%	0.5%	0.4%
2012	7.3%	56.17%	24.01%	1.25%	1.12%	0.37%
2011	12.9%	51.7%	22.1%	0.8%	0.9%	1.0%

Red failed	Audit incomplete	Industry audit
Egregious	Low-/ medium-/ higher risk	Low-/ medium-/ higher risk
Permanently barred from business with Walmart	Reaudited as soon as possible	Reaudited according to industry program schedules

0.0%	0.3%	19.9%
—	—	28.5%
0.8%	—	33.1%

Regional challenges and updates

As we work to purchase products responsibly, we are tailoring our compliance program to address the challenges in each market. Our Responsible Sourcing team has noted the following issues in each sourcing region. These issues apply generally to the relevant geographic area and are not intended to comment on our business with the region.

0.0%	0.1%	0.0%
0.2%	—	—
0.2%	0.2%	—

Exploitation of migrant workers in the seafood and canning industries is becoming more evident. We're engaging the International Labour Organization's (ILO) Better Work Program and others to drive positive changes. Additional challenges include failure to pay increased minimum wage and related worker strikes. We're leveraging our capacity building programs to address workforce issues.

0.0%	0.0%	0.0%
—	—	—
—	0.4%	—

Due to data protection regulations, facilities in Europe often deny access to pertinent employee information during audits. Records availability for agency workers and workplace safety matters are being addressed through our Factory Audit Orientation and Violation Correction Training programs.

0.0%	0.2%	6.1%
0.3%	—	13.4%
0.2%	0.4%	15.5%

Raw materials cost, labor cost and exchange rates result in some factories moving to inland China, closing or moving to other countries. Lack of infrastructure creates obstacles to compliance with environmental standards. For wage and hour challenges, Violation Correction Training and the Orange School Program have been implemented broadly.

0.0%	0.1%	0.6%
—	—	0.8%
—	—	—

Some countries in this region face issues related to limited knowledge and application of local labor law, wage payments made in cash to avoid legal wage deductions, as well as lack of labor hours tracking. Fresh produce packhouses experience labor shortages due to rising migration of workers from fields to cities or other countries, and often these migrant workers are employed without work permits. Walmart is engaged in a multistakeholder initiative specifically focused on challenges related to agriculture, starting in the U.S.

6.5%	0.3%	2.8%
0.8%	—	3.1%
0.2%	0.2%	1.3%

Two prevalent issues in this region are unauthorized subcontracting and fire safety. In the event of an emergency, workers commonly face challenges such as structural hindrances, lack of preparedness and panic. Political unrest, wage discrimination and factory management's resistance to paying increased minimum wages are also problematic. Lack of infrastructure for electric and gas utilities, as well as environmental compliance, make it difficult for factories to meet our standards. Our new zero-tolerance policy and enhanced fire safety protocols are being implemented to address some of the concerns in this region.

0.3%	0.1%	4.6%
0.25%	—	9.54%
0.2%	0.3%	10.2%

Over the course of 2013, Walmart expanded its Responsible Sourcing audit program. The number of factories included in the program has more than doubled. Typically, factories that are new to Walmart's program improve over time as they respond to audit findings and improve their processes. Because many factories began their process in 2013, some regional audit averages are lower than in previous years.



Responsible Sourcing

Collaboration



Working together to achieve progress

The Alliance for Bangladesh Worker Safety:

"ASDA and George remain active ETI members. They have shared a number of the activities and innovations that they have introduced to support better working conditions in their supply chains and are now looking at ensuring they have a clear strategy for the future. The support of George in tackling labor issues in south India's garment sector has been particularly valuable during the year."

— Peter McAllister,
executive director

In 2013, Walmart joined 20 other brands and retailers to form the Alliance for Bangladesh Worker Safety, a binding, five-year undertaking that will be transparent, results-oriented, measurable and verifiable. The 26-member alliance (as of December 2013) aims to improve worker safety in Bangladeshi garment factories via five key areas:

- Training, education and empowerment of workers, supervisors and management in factories
- Developing common standards for assessing factory fire and building safety in tandem with the Bangladeshi government and other stakeholders
- Expanding fire and safety programs for inspections and remediation
- Transparency: sharing best practices, affecting trainings and results from inspections
- Sustainable financial commitments

Through the Alliance, we're working with the International Labour Organization (ILO), the Accord on Fire and Building Safety, and the Bangladesh University of Engineering and Technology (BUET) to agree on a common, minimum criterion for fire and structural inspection safety standards. These standards align with the Bangladesh National Building Code and also support the National Tripartite Plan of Action. They will be above the national building and safety standards in Bangladesh, raising standards across the country.

The Alliance is also committed to working with the people of Bangladesh and has established a Board of Advisors to advance that effort. The Board of Advisors will play a valuable role in informing the Board of Directors of important perspectives that could influence and impact the Alliance efforts.



Better Work

Together, the International Labour Organization (ILO) and the International Finance Corporation (IFC) launched the Better Work Program with the objective of improving factory working conditions in the garment sector. Program components include monitoring factories, conducting training modules and engaging with key stakeholders, including workers, factories, communities and governments. We've worked with the ILO/IFC in the Better Work Program, which currently operates in Cambodia, Haiti, Indonesia, Jordan, Lesotho, Nicaragua and Vietnam, with plans to expand into Bangladesh and other sectors of production, including footwear.

Ethical Trading Initiative

ASDA/George is a founding member of the Ethical Trading Initiative (ETI) and works within a multistakeholder environment on industry issues such as home workers, Sumangali workers, working-hours projects, fire safety, living wages and purchasing practices. ETI touches a wide spectrum of issues to help drive positive change through the supply base from which we source and to improve conditions for the workers who make our clothes.

Global Social Compliance Program

The Global Social Compliance Program (GSCP) is a business-driven program created to promote the continuous improvement of working and environmental conditions in global supply chains. The GSCP was created by five leading companies, including Walmart, and is now made up of 39 brands and retailers. Members are working to enable mutual recognition between existing social and environmental compliance systems globally, in order to reduce duplication in auditing and build trust for further collaboration.

"I was pleased to learn of the agreement between the Coalition of Immokalee Workers and Walmart to strengthen and expand the Fair Food Program operated by growers, supplies and workers within the Florida tomato industry. The Fair Food Program has shown that it's possible for industry partners to collaborate to ensure that the human rights of workers are not abused. I look forward to the expansion of this program throughout Walmart's produce supply chain."

– Jimmy Carter, former U.S. president

In December 2013, Walmart came to an agreement with the Coalition of Immokalee Workers (CIW) to support and implement their Fair Food Program for our Florida field tomatoes. By joining the Fair Food Program and working closely with our Florida tomato suppliers, Walmart will work with the CIW to:

- Expand the Fair Food Program beyond Florida to the tomatoes we purchase from participating Florida-based growers with operations outside the state
- Provide long-term purchasing commitments to suppliers who best reflect the principles of the Fair Food Program
- Work over time to expand the Fair Food Program to other crops beyond tomatoes in our produce supply chain



Social



So many ways to
make a difference
in our world

We consider it our responsibility to make a positive impact in the communities we serve. Whether it's through the grants Walmart and the Walmart Foundation provide to the thousands of organizations that share our mission of saving people money so they can live better, the inspiring volunteer efforts of Walmart associates, food donations or market-specific skills training programs, we're passionate about helping people.

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Walmart makes a difference in
the lives of people all over the
world every day.





Food

From the farm to the table – food matters to families around the globe. As the world's largest food retailer, we have an opportunity and responsibility to deliver on this key necessity of life. Every family should have access to affordable, nutritious, sustainably grown food. But for too many families, this simply is not reality. Walmart and the Walmart Foundation are working with farmers and suppliers, and collaborating with nonprofit organizations around the world, to ensure more people have access to the foods they want and need. We envision a day when no individual has to wonder where his or her next meal will come from.

Hunger relief

Fighting hunger

We're leveraging the business strengths of Walmart to address hunger and make healthier, more sustainably grown food a reality for low-income families. Our business and philanthropic efforts to fight hunger are taking root in our global markets. While approaches vary, reducing global hunger is a priority for many of our markets.



To learn more, visit corporate.walmart.com/our-story/our-business/international

For Walmart U.S., hunger relief is a signature initiative. People experience hunger in every county in the U.S., and the scope of this issue calls for a solution that's both national and local. Our footprint positions us to be a leader on a large scale as well as a champion in the neighborhoods where we do business.

1.58 billion pounds
in-kind food donated since 2010



In 2010, Walmart and the Walmart Foundation launched Fighting Hunger Together – a \$2 billion cash and in-kind commitment through 2015 to fight hunger in the U.S. This initiative leverages Walmart's size and resources to provide nutritious food and the Walmart Foundation's ability to grant funding to nonprofits that help elevate and engage others in addressing the issue. **We're pleased to report that, by the time this report was published, we'd reached \$260 million in cash and \$2.6 billion in in-kind donations, delivering on our commitment one year early.**

- In 2013, we donated more than 571 million pounds of food – the equivalent of 369 million meals – to local food banks and hunger relief organizations like Feeding America and its 200 food banks across the nation that provide access to meals for millions of low-income families. In addition, Walmart and the Walmart Foundation have donated more than 180 trucks and refrigerated trailers, ensuring that fresh, nutritious products are delivered safely to those in need.
- In 2013, Walmart and the Walmart Foundation contributed nearly

\$80 million in national, state and local grants to nonprofits across the nation, bringing our four-year total to \$260 million. Our strategy centers on providing grants to charitable organizations working to increase access to meals for low-income families. Last year, Walmart Foundation grants provided 8.3 million breakfasts to 55,000 children through the federally reimbursed breakfast meal program, equipped more than 1.1 million income-conscious individuals with cooking and shopping skills to help stretch their food budgets and provided more than 13 million meals to 275,000 children who might miss out on nutritious meals when they aren't in school.

With a U.S. associate base of more than 1.3 million, we know we can make an impact nationwide by inspiring associates to fight hunger in their local communities. We see increases in participation in both our external engagement campaigns and associate volunteerism. In fact, 4,100 associates volunteered more than 13,000 hours toward hunger relief efforts in 2013. More than \$250,000 was donated to nonprofits because of associate volunteer efforts through Walmart's Volunteerism Goes Viral Campaign.



For related information

Sustainable agriculture, page 102

Food waste, page 99

- We work with others who are fighting hunger. These collaborations magnify our impact. For example, we engaged 10 of our suppliers in our Fighting Hunger Together campaign, resulting in \$4.1 million in additional donations to fight hunger. We also actively work with other corporations who are committed to this cause to share learnings.

Walmart knows that there are other opportunities around fighting hunger that can be addressed, like increasing access to healthy food and sustainable farming practices. By working with farmers and reducing food waste, we lower costs and help the environment at the same time. Our commitment to fighting hunger is good for society, good for the environment and good for business.

Making it easier to eat healthier

Healthier foods



Great For You™

Walmart committed to creating and implementing a front-of-pack icon to help customers quickly and easily identify more nutritious foods. In 2013, our Great For You™ icon continued to roll out on private-brand foods and beverages across all of our Walmart U.S. stores.

- More than 30 percent of qualifying items, including fresh produce, meats, poultry, seafood, and Great Value™ and Marketside™ private-brand packaged foods and beverages now carry the Great For You™ icon.
- We launched tools to help consumers put Great For You™ into action. These include more than 75 quick, affordable and nutritious recipes, weekly food tips, messages communicated via social media

channels and a series of short videos to help families plan, shop and prepare healthier meals and snacks at home.

- In 2013, the Great For You™ icon was made available for use by national brand companies.

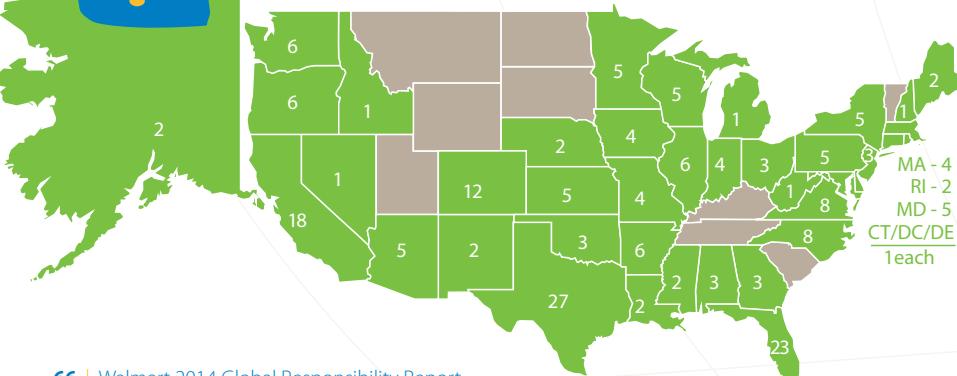
Savings

Walmart promised to save customers \$1 billion annually on produce. In FY2014, we exceeded that promise by saving customers \$1.2 billion on fruits and vegetables in the U.S. Since making this commitment, we have saved customers \$3.5 billion on fresh produce. We also maintain a list of more than 500 food items, paired with their better-for-you version. In 2011, a better-for-you item generally cost 5.7 percent more than the traditional version, but was reduced to 5.4 percent in FY2013. For FY2014, that price premium was further reduced to 5.1 percent.

Access

Walmart committed to opening 275 to 300 new stores in areas serving food deserts by 2016. The 2010 U.S. Census showed an increase in areas defined as food deserts. Following this new definition, we've opened 224 stores in areas serving food deserts across the country. Of these, 48 were opened in FY2012, 80 in FY2013 and 96 in FY2014.

 **224 stores**
opened since 2012 to serve areas with food deserts





Reformulation

In 2011, we committed to reducing sugars and sodium, and eliminating industrially produced trans fats in products carried in our stores. This five-year commitment, which focuses on our combined Great Value™, Marketside™ and nationally branded portfolios, runs through the end of 2015 and uses baseline data starting in 2008.

By the end of 2015:

- Walmart committed to a 25 percent sodium reduction. Currently, our sodium reduction achieved stands at 13 percent, halfway to our goal.
- Walmart committed to eliminating industrially produced trans fats from all private- and national-brand products. At the end of FY2013, fewer than 7 percent of products in our U.S. stores contained hydrogenated oils, a decrease from 9 percent in FY2012.
- Walmart committed to reducing sugars by 10 percent across the products it sells. The company exceeded this goal in 2012 and continues to realize further reductions in select grocery categories.

Nutrition education

Walmart and the Walmart Foundation continue to honor our commitment to increase charitable support for nutrition programming, donating more than \$15.4 million in 2013 and more than \$41 million since 2011. With a goal of helping Americans learn to choose and use healthier, more nutritious food items, we fund programs that teach cooking and shopping skills, provide nutrition education and increase knowledge of healthy eating.

In 2013, the Walmart Foundation funded programs that aim to reach more than 1.1 million individuals. For example:

- \$1.3 million grant to Institute for America's Health to provide nutrition education to 64,000 students and teachers.
- \$2.5 million grant to Share Our Strength's Cooking Matters program to help more than 107,500 low-income individuals learn cooking and shopping skills.





Opportunity

Living better means greater access to opportunity. Walmart and the Walmart Foundation support initiatives that provide opportunities through job training and placement, as well as greater access to the resources that help people become self-sufficient. From our commitment to hire military veterans and address the barriers facing women entering the global workforce, to our focus on domestic manufacturing, we're enabling career success and economic mobility.

Women's economic empowerment

Empowering women worldwide

Since September 2011, we've been focused on leveraging our size and scale to empower women across our global supply chain. We believe empowering women is the right thing to do and will make us a more successful retailer.

The majority of our 245 million customers per week are women, and women control more than \$20 trillion of annual consumer spending globally. With nearly 1 billion women estimated to enter the global economy during the coming decade, we take a leadership role in training, sourcing from and providing access to markets for those women because we know it promotes economic growth and better lives for their families. Through our global Women's Economic Empowerment initiative, Walmart has committed to making a substantial difference in three key areas – sourcing, training and diversity and inclusion – by the end of 2016.



Sourcing goals

Increase sourcing from women-owned businesses (WOBs)

In 2012, an estimated 224 million women were starting or running businesses in 67 countries around the world. Many of these women are planning for significant business growth; however, substantial barriers challenge female entrepreneurs who hope to grow their businesses. For example, although 29 percent of U.S. businesses are women-owned, enterprises owned by men are more than three times as likely to reach \$1 million in annual revenue. We work to address barriers and help women-owned businesses (WOBs) and our merchants work more effectively together.

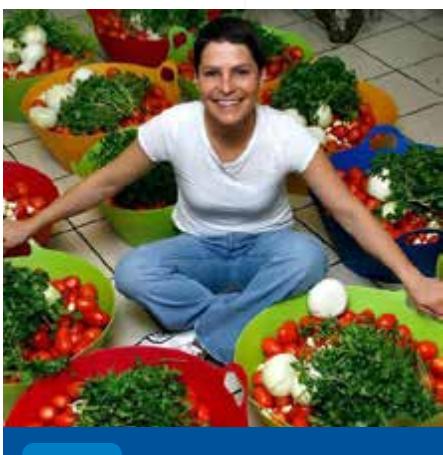
Source \$20 billion from women-owned businesses for our U.S. business by the end of 2016

Over the past two years, we've developed a comprehensive WOB sourcing strategy. To achieve our end goal of \$20 billion, we set annual targets for our U.S. business. We've met those targets through the first two years, and our spend with women was up significantly for FY2014.

Key to our success has been our Women-Owned Business Advisory Council (WOBAC) made up of internal advisors, industry leaders, our merchants and suppliers. Through conversations with industry leaders, our merchants and suppliers, we've identified challenges facing WOBs and, along with Supplier Diversity and Supplier Administration, we've implemented a variety of tools and resources to address them. The following represents a few successful examples that we believe will live well beyond this particular initiative:

Scorecards: We developed scorecards to ensure merchants and other leaders have visibility into the WOBs and diverse suppliers they work with and how each area of the business is tracking against its target. These tools drive focus and accountability across the business.

Supplier summits: In 2013, Walmart conducted two types of supplier summits. The first allowed our teams to discuss strategic business growth opportunities with current WOB suppliers. The second focused on finding new suppliers. All in all, Walmart and Sam's Club held 10 summits last year to help grow existing or identify new suppliers for our business.



Maggie Cook – Maggie Salsa
youtube.com/watch?v=u-zRkpj98Zs



Supplier Academy: In November 2013, Walmart launched Supplier Academy, a set of online educational modules designed to prepare "merchant-ready" suppliers and buyers to work with them. Modules such as "Keys to a Successful Buyer Presentation" and "Working with Small and Diverse Suppliers" are aimed at developing strong working relationships and set both sides up for success.



2013 Sam's Club Supplier Diversity Summit
youtube.com/watch?v=GZn6SyS85rw

Opportunity

Women's economic empowerment continued



"WBENC is honored to support Walmart's initiative to empower women entrepreneurs around the world by participating as a member of their Women-Owned Business Advisory Council (WOBAC). Walmart's visible commitment to women and delivery of opportunities and tools make it a market leader in advancing the business environment for women-owned businesses."

— Pamela Prince-Eason,
president and CEO, Women's Business
Enterprise National Council (WBENC)

Double what we source from women-owned businesses in our international markets by the end of 2016

Our 11 international markets vary greatly in their economic and cultural contexts. To reach our doubling goal, we need tailored strategies by market. Our first step has been to establish a baseline, then to analyze our supply base, then research the business and cultural realities that affect WOBs in our markets. The following represents a sampling of the progress we've made over the past two years:

- Assembled a working group representing each of our international markets and Global Sourcing team to share information, ideas, best practices and progress.
- Identified our WOB suppliers for seven of our international markets.
- In September 2013, along with other corporate and nonprofits, signed a Clinton Global Initiative mega-commitment to advance women entrepreneurs by training 15,000 women business owners and sourcing \$1.5 billion from WOBs outside the U.S. by 2018.
- Gave two grants to WEConnect International to develop training programs for women entrepreneurs on Accessing Global Corporate Supply Chains and Working with Walmart.

Launch a dedicated e-commerce platform designed to give small women-owned/women-empowering businesses access to our customers



In March 2013, Walmart launched Empowering Women Together (EWT), a destination on Walmart.com that connects small WOBs around the world with customers who are looking for products from women-owned businesses. It began with more than 200 items from 19 suppliers in nine countries and has grown to more than 350 items from 30 suppliers in 12 countries.

In its first year, EWT earned Walmart the 2013 Corporate Citizenship Award from the U.S. Chamber of Commerce for Best Economic Empowerment Program. We look forward to growing the assortment of EWT items and more than doubling our volume in 2014. Also, watch for these products to arrive on shelves in your local Walmart store

walmart.com/empoweringwomentogether



Best Economic Empowerment Program
[youtube.com/watch?v=Mcu_2lhDYRU](https://www.youtube.com/watch?v=Mcu_2lhDYRU)

Training goals

Train nearly 1 million women globally by the end of 2016

In 2011, we launched our training program to contribute to improving the lives of underserved women around the world. We're taking a leadership role in providing opportunity for these women because we know it promotes economic growth and better lives for their families.

Our training initiative is focused on reaching nearly 1 million women in four areas:

- 500,000 women farmers and farm workers in emerging markets learn improved agricultural practices.
- 200,000 women in the U.S. from low-income households gain the work skills and support needed to obtain higher-quality employment opportunities.
- 60,000 women in 150 factories will obtain the skills needed to be successful in the workplace, at home and in the communities.
- 200,000 women in emerging markets obtain their first job in retail.



Meet Jody Gabriel, single mother and graduate of the Red Cross Nurse Assistant Training Program, to learn how Walmart has empowered her.
youtu.be/jDhzcQZBgwA

To date, Walmart and the Walmart Foundation have contributed training to more than 280,000 women on farms, in factories, in retail and for improved career opportunities in the U.S.

Women on farms

With women in the developing world responsible for 43 percent of all farming, improving agronomic practices is key to better livelihoods. In 2013, we accelerated our pace of training women farmers by focusing our philanthropic support on existing large farmer training projects with leading NGOs and partners such as the Bill and Melinda Gates Foundation and U.S. Agency for International Development (USAID).

- In Uganda, our Walmart Foundation-funded project will reach 33,000 women vegetable growers through a partnership with Mercy Corps.
- With Heifer International, our Foundation-funded project is providing training to 100,000 women farmers in Nepal.
- In September 2013, we entered into a global memorandum of understanding with USAID. Through that relationship, the Walmart Foundation has helped to fund projects in Bangladesh and Rwanda, bringing improved agronomic practices to 70,000 women.
- By leveraging a Gates Foundation project with the World Cocoa Foundation, we're reaching 50,000 women cocoa farmers in Cameroon, Ghana, Ivory Coast and Nigeria.

Women in factories

The Women in Factories program is now underway, with training being provided by

Swasti in India, CARE in Bangladesh and World Vision in El Salvador and Honduras.

With the awarding of a Walmart Foundation grant to Business for Social Responsibility in 2013, the program is being expanded to China. The first training is anticipated for early 2014.

In 2014, we'll make the open-source curriculum developed by CARE available to other retailers and factories.

Women's retail training

With funding from the Walmart Foundation, the International Youth Foundation (IYF) adapted and translated the curriculum from our successful Brazil School of Retail and conducted pilot training programs in Argentina and Chile. We expect to launch pilot programs in Mexico and South Africa in early 2014.

In e-Commerce, the Walmart Foundation funded Samasource, a leader in microwork, to train 10,000 women in Kenya and Uganda on critical digital and soft skills that will increase their ability to compete in the global economy.

In addition, Walmart Central America concluded a successful collaboration with USAID and CARANA in El Salvador. In December 2013, Walmart China launched its Walmart Retail Talent Vocational Training Course to reach migrant workers.

U.S. career opportunities

The Walmart Foundation has granted more than \$62 million to help 229,102 U.S. women from low-income households gain critical skills.

The wide range of programs provide job training and economic support with partners including AARP, Goodwill Industries International, Inc., the American Red Cross and six women's foundations that collaborate through Pathways for Women's Prosperity.



With a \$1.35 million grant from the Walmart Foundation, the International Fertilizer Development Center (IFDC) is expanding a USAID project to reach 40,000 women farmers in Bangladesh. IFDC is teaching these women how to use an environmentally friendly technique called fertilizer deep placement to boost vegetable and fruit yields.

Promote diversity and inclusion opportunities among our merchandise and professional services suppliers

Just as we've taken steps to attract, retain and develop women and minorities internally, we're extending this challenge to our primary suppliers. We recently developed an online tool and database to begin tracking gender and diversity representation among merchandise and professional services suppliers working with Walmart and Sam's Club. By positively influencing how our suppliers view their own diversity, we're creating a more inclusive workforce and providing better products and services to our customers.

"Ensuring that women have a seat at the table is critical in opening doors and cracking ceilings for women in all organizations and industries. It is no secret that having diversity of thought brings better results to any team or business. Walmart understands this, and NAFE is pleased to find them seeking transparency regarding gender and ethnicity in the suppliers serving on its accounts. We look forward to hearing whether asking the question will drive opportunities for women and minorities inside these large supplier organizations."

– Betty Spence, Ph.D., president, National Association of Female Executives (NAFE)



Opportunity

Forming connections that matter

Supplier diversity

FY2014 spend

- Tier I (direct spend) \$10.3B (includes women-owned businesses)
- Tier II (indirect spend) \$2.6B
- Sourcing from Women Owned Businesses (WOBs) \$3.7B

We recognize working with diverse suppliers reinforces economic growth in local communities and helps people live better. We continue to collaborate with our network of more than 100,000 suppliers and nonprofit organizations around the world to establish inclusion. But our initiatives with small and diverse suppliers are driving results even further from both a social and business perspective. To focus our efforts, we've adopted the following:

Three Pillars of Supplier Diversity

- **People:** We'd like our supplier base to reflect the diversity of our associates and the millions of customers who visit our stores, clubs and website each week.
- **Products:** Diverse businesses can provide unique, innovative products for our customers, a source of competitive advantage.
- **Responsibility:** In working with Walmart, our suppliers take on the responsibility of meeting our supplier standards, including our Everyday Low Cost model.

Website

Supplier diversity website generated more than 52,000 visits.

Forums

Collaborated with *Black Enterprise Magazine* on two forums attended by hundreds of diverse businesses; reached 285,000 accounts via real-time content sharing on Twitter.

Supplier diversity kiosk

Utilized at national diversity events to register 1,700 new suppliers.

African-American community

Tapped our relationship with Black Enterprise and TVOne to highlight several suppliers:

Beauty Spoon – Claudia Hoexter. [youtube.com/watch?v=drTMMMcrfV8](https://www.youtube.com/watch?v=drTMMMcrfV8)

Positively Perfect Dolls. Dr. Lisa Williams – [youtube.com/watch?v=6MbcN_tKONA](https://www.youtube.com/watch?v=6MbcN_tKONA)

Supplier development

Awarded five, one-week scholarships to diverse and women-owned business leaders to attend the Tuck School of Business at Dartmouth College.

Walmart U.S. and Sam's Club FY2014

We utilize a variety of technologies, platforms and tools to promote engagement and deepen relationships with small and diverse suppliers.

Summits

Held three summits to explore supplier products and develop strategy to drive growth.

Veterans

Worked with veteran advocacy groups to align our corporate goal of creating jobs and opportunities.

Native Americans

Collaborated with our Native American Resource Group, Tribal Voices, to expand outreach and communicate business opportunities.

People with disabilities

Engaged with United States Business Leadership Network/Disability Supplier Diversity Program to expand supplier connections.

External supplier diversity recognition

- America's Top Corporation for Women's Business Enterprise 2012-2013
- WE USA's Outstanding Men of WBE 2013
- Top 75 Leading Men, Corporate Supplier Diversity, *MBN USA Magazine* 2013
- Top Organization for Multicultural Business, *DiversityBus.com* 2013

Serving those who serve

Veterans



We're thankful for the service and sacrifice of our nation's veterans, military men and women, and their families. We strive to support their heroism in many ways and work to understand and address some of the specific and special unmet needs they face. We recognize that one of the most significant issues is employment and developing the tools necessary to prepare for a career outside the military.

Veterans represent one of the largest and most diverse talent pools in the world. They have a record of performance under pressure. These are leaders with discipline, training and a passion for service.

We're among the country's largest employers of veterans and military families, and we continue to actively recruit our nation's heroes to our home offices and more than 4,400 U.S. stores and clubs. We believe every American veteran should return home and have a job waiting for them. That's improving our business and our way of saying thanks. The following highlights our involvement:

Welcome Home Commitment

On Memorial Day 2013, we demonstrated our continuing support of veterans with the launch of our Walmart Veterans Welcome Home Commitment. We promised to offer a job to any eligible honorably discharged U.S. veteran within his or her first 12 months off active duty. And we projected we'd hire **more than 100,000 veterans over five years**, many in their first 12 months off active duty. We're well ahead of that, having **hired 32,000 veterans within the first eight months of our announcement**. Most of these jobs will continue to be in our stores and clubs, and some are at our distribution centers across the country and Walmart Home Office in Bentonville, Ark.

Military Family Promise

Our Military Family Promise guarantees a job at a nearby store or club for all military personnel and military spouses employed at Walmart or Sam's Club who move because they, or their spouse, have been transferred by the U.S. military. The program also ensures that associates who are called away to active duty will be paid any difference in their salary if the associate is earning less money during his or her military assignment.

Walmart Foundation support

On Veterans Day 2010, the Walmart Foundation announced a **five-year, \$10 million commitment** to support veteran employment and transition opportunities. On August 31, 2011, at the American Legion's National Convention, Walmart U.S. President Bill Simon announced that the Foundation would be **increasing its commitment to \$20 million over five years**.

Just one example of the Foundation's support of U.S. veterans is its award of \$1 million to support the pilot of Goodwill's Operation: GoodJobs program in 2012. The program connected 800 veterans and their families with job training and placement. Due to the program's success, the Walmart Foundation expanded its support with an additional \$5 million grant in 2013. Goodwill will scale the program to engage more veterans and military families in advancing their careers and in becoming more financially solvent. Over the three-year grant period, Goodwill will serve more than 4,000 veterans and military families.

Hiring Our Heroes

According to U.S. Bureau of Labor Statistics reporting, the unemployment rate for post-September 11 veterans remains stubbornly high, with rates for veterans under the age of 25 averaging more than 21 percent in 2013. We're working to change that by continuing to support the U.S. Chamber of Commerce's "Hiring Our Heroes." Walmart, Sam's Club and other employers have had the opportunity to recruit tens of thousands of veterans through hundreds of career fairs.

**Projected to hire
100,000+
U.S. veterans
over five years**

**Hired
32,000
U.S. veterans
within the first eight months
of our announcement**

Opportunity

U.S. manufacturing



Inspiring a manufacturing comeback

An estimated
\$250 billion
spent on products expected to create
1 million
American jobs

Walmart U.S. has committed to using its buying power to create more jobs in the U.S. by supporting American manufacturing. Though data from our suppliers shows that items made, assembled, sourced or grown in America (in part or in full) already account for about two-thirds of what we sell at Walmart U.S., we announced in January 2013 that, within 10 years, we'll source an additional \$50 billion annually in products supporting U.S. manufacturing. That's an estimated \$250 billion spent on products that support more affordable U.S. production and create American jobs. Boston Consulting Group estimates that this investment will create 1 million jobs when including related services.

We'll accomplish this by working with suppliers to increase what we already buy in U.S. manufactured goods, sourcing "new to Walmart" goods from U.S. factories and helping grow onshore production in high-potential areas. Additionally, with the Walmart Foundation, we're funding initiatives that identify and reward innovators in manufacturing processes. By taking these steps, we can help create more jobs and revitalize our communities and the U.S. economy while continuing to offer everyday low prices.

Why this is important

Many products Americans use every day were produced in the U.S., but economic conditions eventually pushed manufacturing overseas, taking middle-class jobs with it. We think U.S. manufacturing is poised for a comeback and believe this revitalization is essential to rebuilding the middle class. That's why we made this commitment to American manufacturing. It's our hope that this work will serve as a catalyst for other American companies, industry leaders and lawmakers to take note of this opportunity and do their part to bring manufacturing – and the middle class jobs that support it – back to the U.S. Our commitment is good for our business as well as the communities we serve.

Progress

To date, we've met with hundreds of suppliers and visited dozens of factories in the U.S. and worldwide. We sponsored the first U.S. Manufacturing Summit, which hosted more than 1,500 attendees, including 500 suppliers, representatives of 34 states and other government officials to discuss ways we can work together to create jobs and grow the economy. And our work has spurred several announcements related to U.S. manufacturing, including:

- GE is creating 150 jobs to produce domestically made GE Energy Efficient Soft White bulbs that will be sold exclusively at U.S.-based Walmart stores.
- Renfro, a North Carolina-based, multinational legwear company, is expanding its capacities over the next two years in Tennessee and Alabama by creating 195 manufacturing jobs.
- Element Electronics Corp. opened a new flat-screen TV assembly facility in South Carolina, which is adding up to 500 jobs.
- Walmart is making a renewed commitment to Hanna's Candles to increase purchases from \$4 million in 2012 to \$45 million by 2017, creating new jobs in Arkansas.
- Elan-Polo, Inc. will begin production of injection-molded footwear in 2014 at a factory in Georgia in a joint venture with McPherson Manufacturing. The facility will create 250 new jobs producing 20,000 pairs of shoes every day.
- Kent Bicycles will bring production of bicycles to Clarendon, S.C., starting in 2014. When at full production, the facility will produce 500,000 bikes annually and create at least 175 jobs.



In January 2014,
Walmart and the Walmart
Foundation announced
the creation of a

\$10 million U.S. Manufacturing Innovation Fund

to award those who create new
processes, ideas and jobs that
support America's growing
manufacturing footprint. The fund
will be executed in collaboration
with the U.S. Conference of Mayors.



Community

Walmart helps customers save money and live better by providing low prices on a broad assortment of food, apparel and general merchandise in 27 countries worldwide. Our philanthropic mission is derived from that same philosophy of helping people live better. We've designed giving programs to meet specific social needs, and we work through our stores and associates to make positive change in the communities we serve.

Disaster relief

Emergency preparedness and disaster relief

Helping communities is what we do every day. While our global security efforts have positioned Walmart as a leader in disaster relief – leveraging resources and expertise to respond to communities in times of tremendous crisis – emergency preparedness remains a major focus. Preparedness (and mitigation efforts) is essential as today's world continues to face extreme weather and a diverse risk landscape. Being prepared for a natural or man-made disaster is the first step to resiliency.

Focused on resiliency

Focused on building disaster resiliency around the world, Walmart collaborated with the United Nations Office for Disaster Risk Reduction in 2013. The purpose of this initiative is to leverage our global company's best practices during disasters to help build community resiliency worldwide.

In September, Walmart U.S. took a major role during National Preparedness Month. More than 470 of our facilities in high-risk areas across the country hosted emergency preparedness expos, which brought emergency management experts and other important public and private organizations into our stores and clubs to establish

awareness with the customers we serve. These and other efforts will lead to more resilient and better-prepared communities before disaster strikes.

Over the past five years, Walmart has collaborated with the National Weather Service (NWS) and the Coastal Guardians Outreach (CGO), a nonprofit organization that received a grant from the state of Texas to produce the Official Texas Hurricane Guide. Walmart has transported more than 3.5 million Texas Hurricane guides to stores in that state. This program helps our customers and other citizens in Texas increase their preparedness for hurricanes.

How 5 years of relief adds up

Event	amount spent
Community events	\$277,865
Drought & famine	\$350,000
Earthquakes	\$11,354,138
Floods	\$2,011,525
Hurricanes & tropical events	\$4,813,342
Severe weather	\$3,976,520
Tsunami	\$25,000
Wildfires	\$466,103
Winter storms	\$62,747
Total	\$23,337,240

Africa

American Samoa

Brazil

Canada

Chile

China

Guatemala

Haiti

India

Japan

Mexico

Pakistan

Philippines

United States

In addition, in 2013, Walmart utilized in-store broadcast technology in 555 of its U.S. stores to take a proactive approach to spreading emergency preparedness messaging:

- Hosted four general emergency preparedness public service announcements (PSAs), with more than 114 million views by customers 18 and older
- Worked with the Ad Council to air the "Be A Hero" PSA, developed by ESPN and seen by 20 million customers, ages 18 and older
- Aired Walmart Storm Preparedness PSAs to an audience of 38.7 million customers, ages 18 and older
- Aired The Safe America Foundation's "Text First, Talk Second" PSA, which generated 55.6 million views, ages 18 and older.
- Showcased the Safe America Foundation's PSA, featuring Arkansas First Lady Ginger Beebe, in six stores, generating 399,000 views, ages 18 and older, over a period of 53 days

We've continued to illustrate the difference we can make by leveraging our size and scale. The Emergency Management Department, through the work coordinated by our Emergency Operations Center, the Walmart Foundation and our other key business areas,

come together in times of crisis, and we utilize our resources to respond to disasters around the world. The above illustrates our disaster relief involvement for the past five years alone.

Community

Associate volunteerism



Associates making a difference

Walmart associates are the heart of our business. As Sam Walton said, **"Our people make the difference."**

The same is true when serving the communities where we operate around the world.

Our associates are the backbone of our culture. They broaden and deepen our efforts to help people live better across the globe. They're engaged in work that supports their local communities and connects with our customers. The following provides a sampling of our involvement:

U.S.

Associates from Walmart, Sam's Clubs and Logistics facilities volunteer for causes in their local community. Through the Volunteerism Always Pays program, Walmart makes contributions to eligible nonprofits where associates volunteer. In 2013, more than 89,400 associates volunteered more than 1.8 million hours through this program.

Japan

Walmart Japan supports associate volunteerism by providing approved time off and participating in various volunteer events. Associates and their families actively volunteer at local soup kitchens, riverside/seaside cleanups, nursing facilities and more.

Central America

In 2013, 7,990 associates volunteered services that benefited people from communities across five countries.

Mexico

We continue to encourage and empower our associates to become active volunteers, positively impacting the issues that matter most in the communities where they live and work. From assistance during natural disasters, reforestation and maintenance activities for schools to community cleanup efforts, 131,055 of our associates participated in volunteer activities across Mexico in 2013.



Local communities

Communities pull together

Our support for local communities centers on giving back locally, associate involvement and responding to disasters when our communities need us the most. The following represents a sampling of our involvement:

U.K.

Our Asda operations enlist customers to help them give back. Piloted in 2011, the Community Life program rolled out to 560 stores and 23 depots last year. To date, more than 10,000 "Chosen By You, Given By Us" financial grants have been voted for by our customers and donated by Asda.

Africa

Primary school nutrition, Early Childhood Development, school maintenance and infrastructure projects remain at the center of Africa's Socio-Economic Development focus. Looking to contribute toward an equitable and sustainable society, we continue to make good qualitative progress in our Broad-Based Black Economic Empowerment goals with a recent highlight being the work of the Massmart Supplier Development Fund. In addition, our graduate program continues to identify competent graduates and offers access to a structured program, including practical work experience and related learning.

U.S.

In the U.S., our stores, clubs and distribution centers award grants to local organizations making a difference on key issues in communities where our associates live and work. In 2013, more than \$144 million in 89,000 grants were provided to organizations, including law enforcement agencies, fire departments, schools, recreation centers and more.



Environment



So many ways to
make a difference with
the environment

Environmental sustainability has become an essential ingredient to doing business responsibly and successfully. As the world's largest retailer, our actions have the potential to save our customers money and help ensure a better world for generations to come. At the same time, they set the stage for a more financially stable and responsible Walmart. With that in mind, our decisions in this area are tied to three specific aspirational goals:

Energy: Be supplied 100 percent by renewable energy

Waste: Create zero waste

Products: Sell products that sustain people and the environment

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Walmart makes a difference in
the lives of people all over the
world every day.



Sustainability 360



Sustainability 360

Operations
nearly
11,000
retail units

Suppliers
100,000+
worldwide

Customers
Millions
shopping weekly

Associates
2 million+
worldwide

Communities
Thousands
worldwide

Integrating the value chain

Sustainability 360 is a comprehensive view of our business that integrates the ideas, actions and enthusiasm of more than 100,000 suppliers, 2.2 million associates and hundreds of millions of customers around the world in our efforts. Sustainability 360 lives in every corner of our business.

It takes every one of us, working together every day, to become the most sustainable company possible, from both a business and environmental perspective. For example, we work directly with our suppliers to address product and packaging challenges. Planning processes involve our buyers and suppliers at the same table, and we continually engage with industry experts to identify and develop breakthroughs in logistics and transportation. Environmental sustainability is written into the job descriptions of our own associates and weighs into annual performance reviews.

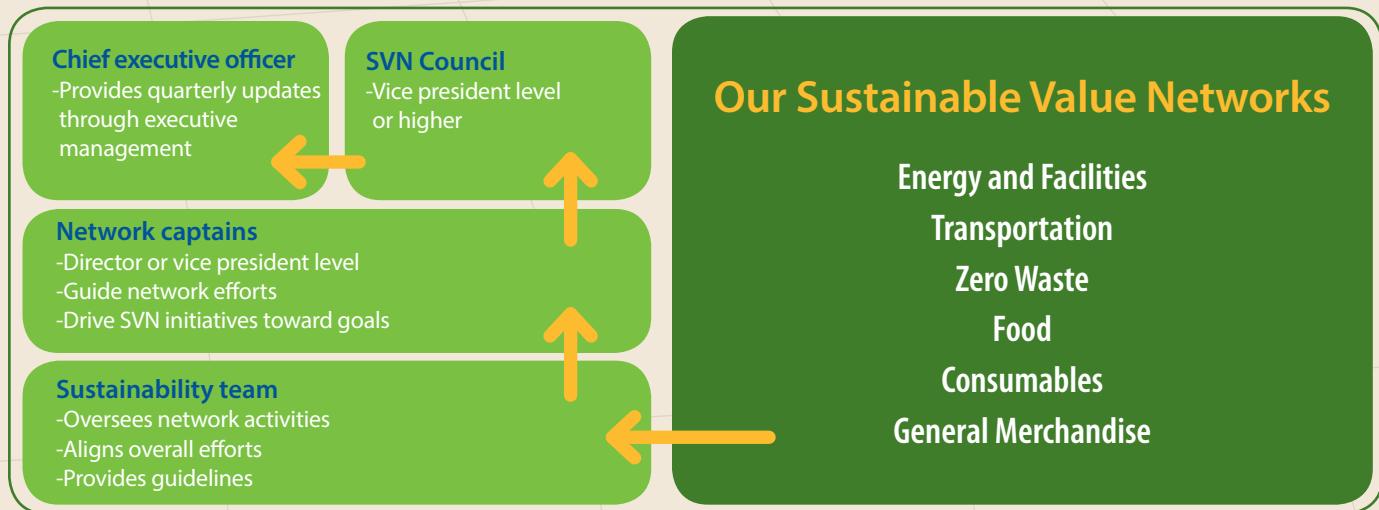
These are a few specific examples of Sustainability 360 in action around the world:

- We've rolled out the Sustainability Index to more than 700 categories across our business. Hundreds of buyers from Walmart U.S., Sam's Club and several international markets are now using this tool to work with their suppliers on improving product sustainability.
- Since 2011, Walmart Brazil has been working on the social initiative Walmart Institute Caravan, bringing together more than 900 leaders (60 percent women) and representatives from 500 nongovernmental organizations in eight Brazilian states. They discussed how to mobilize communities

to actively take part in their issues and how Walmart stores in every community could participate.

- In 2010, the Walmart Canada Green Business Summit spawned ShareGreen.ca, a website dedicated to sharing case studies of sustainability-minded business practices that have successfully demonstrated return on investment. The resource remains available to all companies aiming to incorporate sustainability into their business.

Sustainability 360 guides our decisions based on improving the environment, supply chain and communities everywhere we operate and source.



SVNs as integrating networks

Sustainable Value Networks

At Walmart, we utilize Sustainable Value Networks (SVN) to help integrate sustainable practices into all parts of our business. By bringing together leaders from our company, suppliers, academia, government and NGOs, we take a comprehensive approach. And we continue to evolve this structure to better fit and support our progress.

SVN Councils

Our SVNs are overseen by two councils – one for operations and one for products. For nearly three years, they've been active in evaluating future direction, aligning new goals and engaging members on key topics.

Operations Council

Energy and Facilities
Transportation
Zero Waste

Products Council

Food
Consumables
General Merchandise

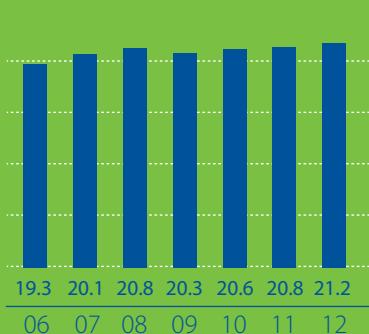


Greenhouse gas

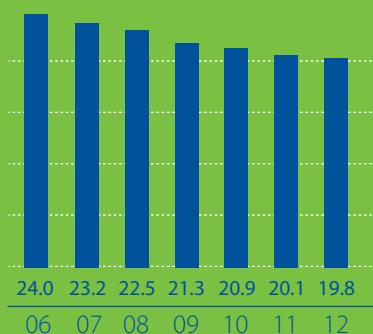
Decoupling business growth from environmental impact

Walmart is known for being highly efficient with resources – and that holds true when it comes to reducing greenhouse gas (GHG) emissions. For seven consecutive years, we've reduced our Scope 1 and 2 carbon intensity, and we're on track to hold our absolute emissions flat over this decade, despite our continued growth. These achievements in climate stewardship are a testament to the collective actions our associates take to operate more efficiently, and more sustainably, worldwide.

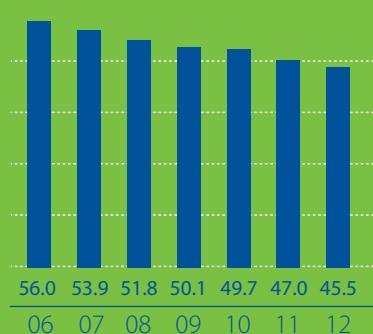
Scope 1 and 2 GHG emissions
[in millions metric tonnes CO₂e]



GHG emissions per retail area
[metric tonnes CO₂e per 1,000 square feet]



GHG emissions per sales
[metric tonnes CO₂e per \$1M USD]



We've limited our emissions growth to only one-quarter (12 percent) of our business growth (in terms of sales (51 percent) and square footage (45 percent) over the same time period from 2005–2013.

Manage what you measure

Walmart tracks its Scope 1 (direct), Scope 2 (indirect) and some Scope 3 (other indirect) GHG emissions according to the World Resource Institute's GHG Protocol. Since 2005, we've publicly reported this information annually to CDP (formerly Carbon Disclosure Project). We most recently received a performance score of A- and a transparency score of 94.

Scope 1 emissions:

On-site fuel combustion, mobile fuel combustion from leased and owned vehicles, livestock waste emissions from poultry farms and refrigerants

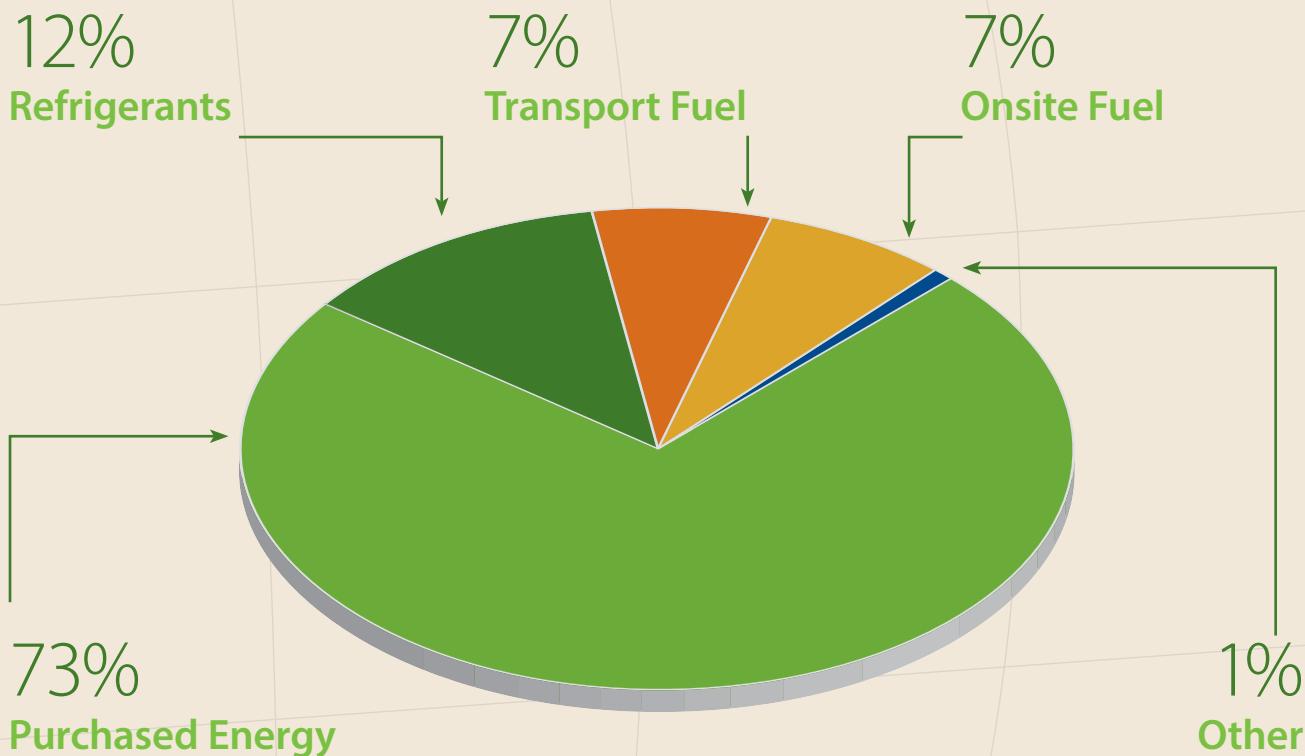
Scope 2 emissions:

Purchased electricity and purchased hot or cold water

Scope 3 emissions:

Corporate business air travel, operational waste and leased facilities

GHG Emission Contributions by Source



Whether it's our relentless pursuit of renewable power, our focused attention on the energy and fuel efficiency in our massive fleet of facilities and trucks, the recent improvements in the way we manage refrigerants or even the successful diversion of operational waste from landfills, **Walmart is proof that businesses can prosper while reducing emissions.**



Energy and facilities



Powering the future of retail

Walmart envisions a world where people don't have to choose between energy they can afford and energy that's good for communities and the planet. Global energy predictions indicate costs could increase twice as fast as our anticipated store and club growth. Finding cleaner and more affordable energy is vital to everyday low cost.

In April 2013, we announced two commitments to help us advance closer to our aspirational goal to be supplied 100 percent by renewable energy.

- **Scaling renewables**

Drive the production of procurement of 7 billion kilowatt hours (kWh) of renewable energy globally by Dec. 31, 2020. To accomplish this, we're committed to expanding the development of on-site and off-site solar, wind, fuel cells and other technologies on our properties.

- **Accelerate efficiency**

By Dec. 31, 2020, reduce the energy per square foot intensity required to power our buildings around the world by 20 percent versus our 2010 baseline. We must continue to scale and deploy energy-efficient technologies, leverage our global demand to provide scale and certainty to our suppliers, and help close technology gaps around the world.

These commitments are better for communities and the environment. The amount of renewable energy we'll add over the next six years will be enough to power every household in Austin, Texas, for more than a year (at current rate of consumption). That's changing our usage to cleaner energy with every kilowatt hour generated. In combination, we expect these commitments will help us avoid almost 9 million metric tons (MMT) of GHG emissions, the equivalent of taking nearly 1.5 million cars off the road. Lastly, and most importantly, we expect our absolute GHG emissions to hold flat over this decade, despite plans to grow our sales and stores considerably over the same time period.

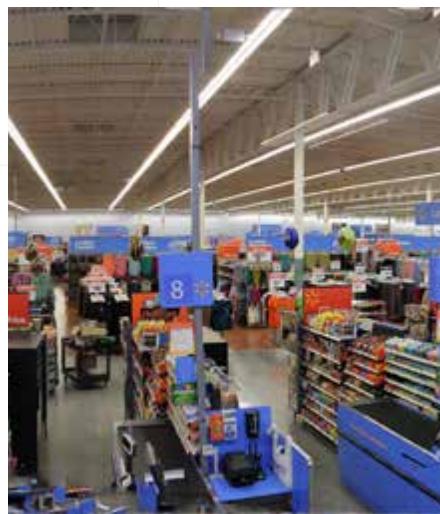
Scaling renewable energy while accelerating energy efficiency is our vision for a more sustainable world and is the right direction for our business.



"More than ever, we know that our goal to be supplied 100 percent by renewable energy is the right goal, and we know that marrying up renewables with energy efficiency is especially powerful: for our customers, for our shareholders and for our grandchildren's future."

– Mike Duke, former president and CEO, Wal-Mart Stores, Inc.

Making it happen with renewables and efficiencies





Energy and facilities

Renewable energy



Progressing toward our aspirational goal

We have a responsibility to lead in the global transition to renewable energy. We're demonstrating that leadership by leveraging our size and scale to drive the production or procurement of 7 billion kWh of renewable energy by 2020. We're deploying a variety of technologies and power-generation strategies, including:

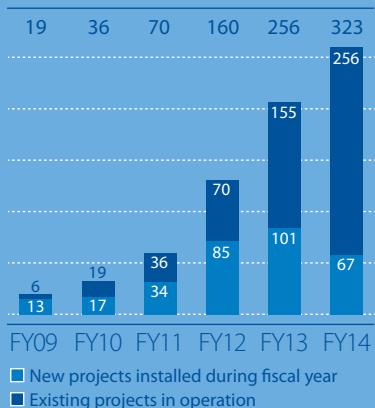
- Distributed/on-site generation
- Utility-scale/off-site generation
- Grid-connected green power purchases

In 2011, we formed our Global Renewable Energy Committee to bring representatives together from all of our markets around the world, which has enabled us to share best practices and promote the adoption and expansion of related efforts. In 2013, we took a significant step forward, as Walmart International procured 1,637 gigawatt hours (GWh) of Walmart-driven renewable energy. That's more than double Walmart International's total from a year ago, with Mexico and the U.K. leading the way.

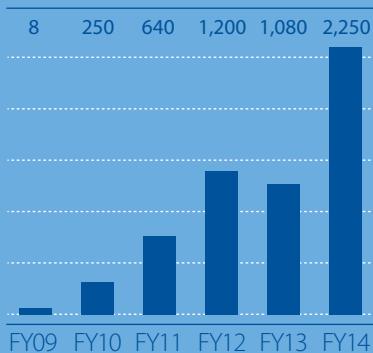


We believe the certainty and scale of our commitment will inspire the manufacturers of renewable energy technology to further invest and innovate, ultimately helping accelerate speed to market and lower costs for everyone.

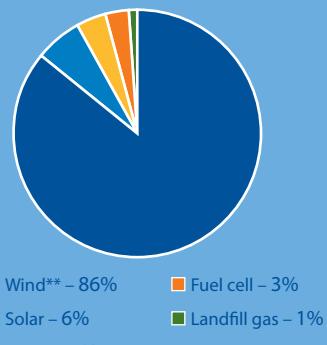
On-site renewable projects* [project counts]



Total renewable energy [GWh]



Renewable projects* by source [percent of total GWh]



* Walmart-driven project initiatives the company voluntarily engages directly as owner or through contractual arrangements. This does not include renewable energy from the local electricity grid.

** Includes large off-site wind projects, smaller on-site projects and green power purchases, most of which are from wind projects.

Progress since our last report

- Walmart International procured 1,637 GWh of Walmart-driven renewable energy. That's more than double Walmart International's total from a year earlier, with Mexico and U.K. leading the way.
- Walmart Mexico, through off-take agreements, broke ground on four large-scale renewable energy projects that will be completed in 2014. Combined, these projects will add 252 megawatts (MW) of clean energy to Walmex stores. Together with the 67.5MW of wind energy currently serving Walmart Mexico stores, these projects will represent 1,195 GWh of renewable energy, more than 40 percent of its annual consumption. Walmart Mexico is on track to supply 60 percent of its energy demand needs for 1,233 stores through renewable energy by the end of 2014.
- Walmart Brazil entered into a public bid to purchase green power on the open market sourced from sugar mill, hydropower and small hydropower plants. To date, 80 stores are being

served by this clean energy, with an expected savings of 11.5 percent on each store's energy bill. Eventually, 97 stores will be served through this green power bid.

- Walmart U.S. installed its 250th solar energy system, with each system providing 15 percent to 30 percent of a store's electricity needs. Walmart U.S. grew its number of fuel-cell sites to 42, each site providing 40 to 60 percent of store needs. These new systems bring us closer to our anticipated total of more than 1,000 projects worldwide.
- Walmart's first 1 MW wind turbine completed its first year of operation. This utility-scale turbine provides approximately 15 to 20 percent of the total electricity required by our Red Bluff Distribution Center in California.

Awards and recognition



- Confirmed as the largest on-site green power generator in the U.S. by the EPA Green Power Partnership for the second year in a row.
- Recognized by the Solar Energy Industries Association (SEIA) as having the most installed on-site solar capacity in the U.S.
- Named one of three finalists for the 2014 Zayed Future Energy Prize in the large corporation category. This annual award, based in the United Arab Emirates, celebrates achievements that reflect impact, innovation, long-term vision and leadership in renewable energy and sustainability.

Energy and facilities

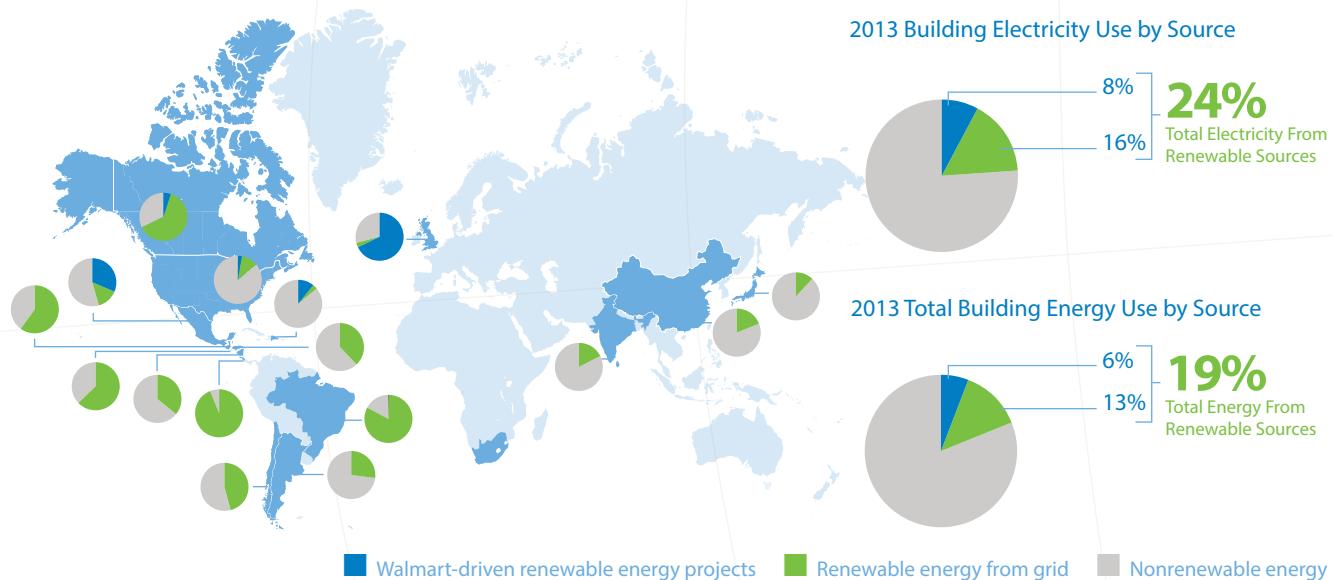
Continued progress

We've come a long way since the installation of our first small-scale, on-site solar project in the U.S. in 2005 and signed our first large-scale wind power purchase agreement in Mexico in 2006. At the end of 2013, we had more than 335 renewable energy projects in operation or under development across our global portfolio. These projects provide our facilities with more than 2.2 billion kWh of renewable electricity annually, accounting for approximately 32 percent of our 2020 target. Together with renewable electricity from the grid, 24.2 percent of our electricity needs globally are supplied by renewable sources.

"Walmart's goals are not only a sign of strong leadership for the company, they can spur others around the world to take action. Walmart's commitments show that it understands the urgency of embracing renewable energy to reduce pollution and greenhouse gases, while driving business growth that is cleaner and more efficient. WRI has provided advice on Walmart's renewable energy strategy and has seen the company in action in the United States and in emerging markets, like India. By following through on these commitments, Walmart can set a powerful example for businesses and government officials alike who are looking to move to a more sustainable and low-carbon future."

– Andrew Steer, president and CEO, World Resources Institute

Global renewable energy use



Challenges

While attempting to scale renewables and accelerate efficiency globally, several unique challenges prevent some markets from adopting and expanding renewable energy as quickly as others, including:

- **Price:** The price of renewable technology, such as wind and solar, as well as the price of grid-generated energy, in our various markets
- **Availability:** The availability of renewable resources and suppliers doing business in various markets
- **Energy policy:** The presence of sound regulations and incentives that create a business environment where projects can be easily permitted, built, contracted for, financed and interconnected to the utility grid or customer facilities

We recognize we will not get where we need to be by working alone. Developers, suppliers and regulatory bodies need to align in order to create an environment that supports adoption.

Energy efficiency



Reducing costs by reducing energy

As we expand our global operations to meet increasing demand for retail services – such as healthier, safer foods that require a cold supply chain – we strive to be the most efficient retailer possible. We leverage our global size and scale to invest in and implement technologies that reduce energy consumption and transform the retail industry. Reducing energy costs at Walmart means lower prices on the products our customers love.

Toward the end of 2012, we announced that we met our 2005 commitment to reduce GHG emissions associated with our existing stores, clubs and distribution centers by 20 percent, one year ahead of our seven-year target. The majority of these reductions were driven by energy efficiency.

A few months later, Walmart leaders announced our new goal to reduce the total energy intensity per square foot (kWh/sq. ft.) of all operating facilities by 20 percent by 2020, compared to our 2010 baseline. As of the end of 2013, we were already well on our way toward this new goal by operating with 7 percent less energy per-square-foot than we were in 2010.

Increasing the efficiency of our facilities worldwide, most of which are already more efficient than the industry average, requires a new level of dedication and ingenuity from our associates and suppliers. We intend to accelerate efficiency worldwide by:

- **Scaling technologies:** Continuing to scale and deploy market-ready efficiency technologies, leveraging our global demand to provide scale and certainty to our suppliers.
- **Transferring technologies globally:** Piloting proven technologies in new geographies, store formats and customer demographics.
- **Accelerating tomorrow's technologies:** Maintaining our focus on testing and experimenting with next-generation technologies to accelerate the future of energy efficiency.

In 2012 and 2013, we completed and/or commenced implementation of numerous energy-efficiency initiatives as we continued to reduce the energy intensity (kWh/sq. ft.) of our facilities worldwide. These measures included installing sales floor LED lighting, high-efficiency (HE) refrigeration units, HE heating, ventilation and air conditioning units, doors on refrigerated cases, parking lot LEDs, energy management systems, voltage optimization systems, LEDs in refrigerated cases, and retro-commissioning of buildings and HE air-handling units.

- Doug McMillon, president and CEO, Wal-Mart Stores, Inc.

Energy and facilities

Because of the diversity in technology and facilities across our more than 11,000 stores, clubs and distribution centers worldwide, we have sequenced our energy-efficiency projects to focus on the greatest opportunities for energy savings. Over the past two years, we estimate that we have completed more than 3,500 projects, and plans are set for even more in 2014. Typically, each project has a four-year or better simple payback, will reduce facility energy consumption from 1 to 3 percent and will provide an expected lifetime benefit of approximately 10 years. Specific paybacks and lifetime benefits can vary depending on country-specific factors.



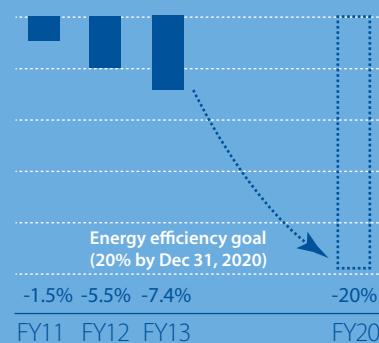
During 2013, we accelerated the program to retrofit open-refrigeration cases with doors. This effort alone led to a decrease of more than 50 million kilowatt hours. We're working to increase the scope of closed refrigeration in the markets we serve.

Innovation

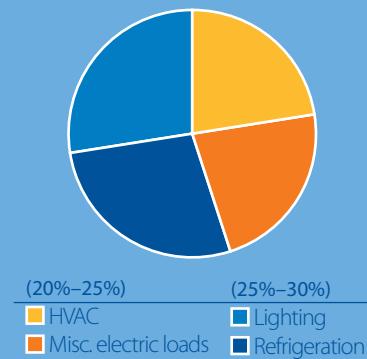
Walmart's founder, Sam Walton, championed 10 rules of a successful business, including: "Swim upstream. Go the other way. Ignore conventional wisdom." This passion for innovation is built into everything we do, as we're not content waiting for tomorrow's shelf-ready technologies. Instead, we're leveraging our size and scale to test new technologies in our stores and distribution centers. We have a track record of helping nascent technologies move from prototype to industry standard and will continue to do so.

Our willingness to work with others, lend our facilities and data for research, and share our findings with others has led to many examples where we leverage the collective power of multiple stakeholders. For example, Walmart has formed relationships and collaborative research investigations with the U.S. Department of Energy (DOE) and several suppliers, such as General Electric, that have led to technological developments in the lighting and buildings sector. Walmart continues this collaboration with the DOE as a participant in the Better Buildings Challenge, a program that aims to improve the efficiency of American commercial, institutional and multifamily buildings, and industrial plants.

Energy efficiency goal progress
[Percent reduction in kWh per square foot vs. baseline year 2010]



Average building energy demand by system type



Progress since our last report

- We retrofitted refrigerators and freezers with doors at more than 750 stores in Mexico, Central America and Brazil.
- Walmart continued to accelerate the deployment of LED technology in lighting applications in our stores. Nearly all lighting in most new buildings is LED in the following markets: Brazil, Central America, Chile, Japan, Mexico and U.K. Additionally, going forward all new supercenters in the U.S. will be nearly 100 percent LED.
- Walmart U.S. opened its first 100 percent LED supercenter in South Euclid, Ohio, which annually consumes 34 percent less energy than a conventional store. This marks a milestone for Walmart U.S. because it goes beyond sales floor LEDs to include all lighting throughout the building and parking lot.

Refrigerants

Ongoing technology trials around the world

U.S.

- 168 Stores and 2 Sam's Clubs fitted with glycol and CO2
- Washington, D.C. H Street store deployed Walmart U.S.'s first natural low temperature system

United Kingdom (Asda)

- World-class refrigeration lab carrying out independent trials
- Integral systems with water loop
- 6 glycol secondary systems
- Cascade CO2 with ammonia primary system in our new Distribution Centers

Japan (SEIYU)

- Cascade CO2 with ammonia is primary system

South Africa

- 9 stores transcritical CO2

Mexico and Central America

- Glycol refrigeration systems on MT

Canada

- Burlington store CO2 secondary system
- Quebec store high side hydronic heat recovery
- Guelph store 100% natural low temperature
- Balzac Distribution Center uses ammonia as coolant. Building is 60 percent more energy efficient than other DCs

Meeting demand for refrigerated products responsibly

Refrigerants account for 12 percent of our global GHG footprint, contributing nearly twice that of the fuel used in our trucks. As demand for our retail services expands globally, especially for fresh and frozen food, the need for refrigerated equipment will continue to grow. We're committed to becoming more sustainable in this area, while working to ensure safe, reliable and affordable food to our customers around the world.

Our work in this area has driven a greater than 8 percent decrease in total annual GHG emissions from refrigerants in our 2005 base of stores and clubs. Furthermore, we continue to see the growth rate of our refrigerant emissions decrease at all our facilities, when compared to both sales and square footage. This suggests we're using them more effectively than ever before.

We continue to produce results by applying industry best practices and by remaining committed to a refrigerant strategy that focuses on:

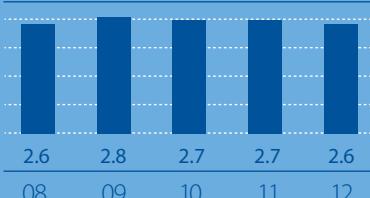
- **Prevention:** We aim to prevent refrigerant leaks by properly maintaining systems and avoiding accidental ruptures, as well as by streamlining our global equipment specifications. These measures utilize factory-built, quality-controlled systems that have fewer leaks than custom systems constructed on site.
- **Reduction:** Through the use of more efficient equipment and facility design, we can reduce the demand for refrigerant-using equipment to cool our facilities.
- **Transition:** We continue to explore refrigerants with reduced Global Warming Potential (GWP) and Total Equivalent Warming Impact (TEWI), including HFC replacements, natural refrigerants and hybrid systems. Our intention is to phase down our overall reliance on high-GWP refrigerants and reduce energy consumption.

Phasing down HFCs

We continue to evaluate feasible alternatives to conventional refrigerants, from both a GWP and TEWI perspective. In November 2010, former President and CEO Mike Duke and others from the Consumer Goods Forum signed a resolution "to begin phasing out HFC refrigerants by 2015 and replace them with non-HFC refrigerants where these are legally allowed and available for new purchases of point-of-sale units and large refrigeration installations."

In 2011, we began incorporating refrigeration and store designs that would enable the transition to less HFC-reliant systems. We've also begun testing full HFC-free systems in several markets. These experiments will allow us to validate system efficiency, total GHG impact and quality functionality.

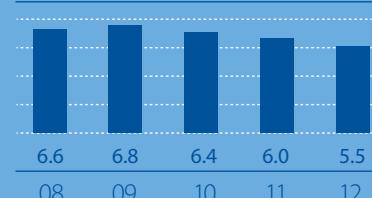
Refrigerant emissions
[million metric tons CO₂e]



Refrigerant emissions per retail area
[metric tons CO₂e per 1,000 square feet]



Refrigerant emissions per sales
[metric tons CO₂e/\$M USD]





Energy and facilities

Water



Focusing on water stewardship

Walmart understands that water is intrinsic to our mission of helping our customers save money and live better. Water is used by associates and customers in our stores, our supply chain and our products. We're focused on water stewardship and have made notable progress.

Composite Risk Score

Baseline Water Stress, Baseline Water Quality, Long-Term Change in Water Stress (A1B 2025)

- Low Risk
- Moderate Risk
- Medium-High Risk
- High Risk
- Extremely High Risk
- No Data/Out of Area
- Ocean or Inland Water
- ~ Rivers and Streams
- Walmart Facility

Our water management strategy focuses on reducing water consumption in our operations through the implementation of technology, such as high-efficiency urinals, low-flow toilets, flow reducers in faucets and the recovery of clean water from store processes. We engage global subject matter expertise and leadership on water-related topics through our Sustainable Value Networks (SVNs). Our Global Energy and Facilities SVN helps manage our water strategy and sharing of best practices among our international markets.

We believe water is a location-specific issue, and we've made great progress in many water-sensitive regions. Walmart operates in 27 countries, all with varying levels of water stress, ranging from low to extremely high. We estimate that more than 20 percent of our operations are, or will be, located in regions facing high levels of water stress, such as the Yaqui, Rio Grande or San Joaquin watersheds of the U.S., and the Mexico Valley and Lerma-Santiago-Pacifico hydrological regions.

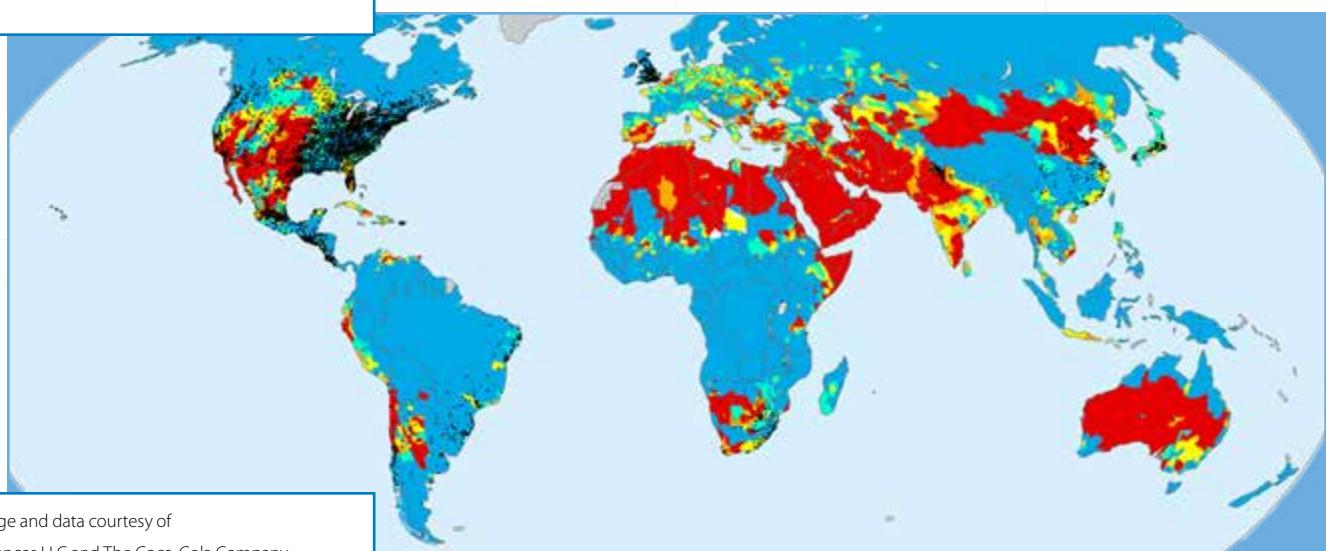


Image and data courtesy of
ISciences LLC and The Coca-Cola Company.

Stewardship in action

As a retailer, our direct water intensity is relatively low when compared to mining, manufacturing or agri-business. Still, we actively work to improve our water efficiency through better facility design and operational improvements. For example:

Mexico: Walmart Mexico is a leader in water stewardship in our company. During 2013, we ran a pilot program in stores to recover water from backwashing of the filtration systems, cleaning and reusing it in our operations. The initiative reduced water usage at participating stores by an estimated 8 percent.

South Africa: Massmart, which operates in 11 Sub-Saharan African countries and is based in South Africa, deploys rainwater and condensation harvesting strategies at 53 Builder's Warehouses and eight Makro stores. Harvested waste is used for nursery irrigation at Builder's Warehouse, as well as store landscaping at Makro. We estimate that these systems collect over 790,000 gallons (3 million liters) of rainwater annually, and have contributed to a 38 percent decrease in consumption.

U.K.: Asda uses water meter data to actively identify high water usage and leaks. Its maintenance team uses this information to identify and repair faulty toilets and taps, as well as hidden leaks in pipes and pumps that might otherwise have gone unnoticed.

U.S.: Walmart U.S. incorporates water efficiency into its standard construction designs. For example, all newly remodeled and constructed stores are built with high-efficiency urinals that use only one pint per flush. The restroom sinks in newly constructed Walmart stores and Sam's Clubs use sensor-activated, half-gallon-per-minute, high-efficiency faucets. The restroom toilets in newly constructed Walmart stores and Sam's Clubs are highly efficient, using 1.28 gallons per flush. These measures are expected to save 500,000 gallons (1.9 million

liters) of water annually at each supercenter and 200,000 gallons (760,000 liters) annually at each Sam's Club.

Similarly, Walmart U.S.'s Logistics Division, which manages the maintenance and upkeep of our more than 20,000-truck distribution fleet, deployed new water-efficient vehicle washing systems at our distribution centers over the past several years. These systems save 4.13 million gallons (15.7 million liters) of water annually compared to older washing systems.

Walmart Real Estate is committed to outdoor water management across the U.S. These efforts have resulted in two primary areas of focus:

- **Smart irrigation system deployment**

As of 2014, Walmart U.S. has deployed and is managing smart irrigation systems at more than 1,000 stores and clubs. These cloud-based management systems include real-time weather and site-specific watering instructions. Over the past five years, we've reduced water consumption by an average of nearly 33 percent per site, and this tool will help us continue to make gains in this area.

- **Site and landscape design strategies**

Walmart smart irrigation systems are also complemented by a host of site design improvements, in addition to the use of drip irrigation and other high-efficiency best practices. These design strategies are covered in the Walmart Site Design Guidelines, developed in 2008 and recently updated. These guidelines for drip and low-flow irrigation provide designers with a wide range of sustainable site strategies to further reduce water demand, while maintaining high aesthetic standards at each site.



Walmart Mexico performance

- Reduced water consumption by more than 30 percent since 2008
- Installed 660th wastewater treatment plant
- Recycled 27 percent of water consumed in its stores



Energy and facilities

Fleet



(Concept truck)

Driving fleet efficiency



Our formula

Fleet efficiency = cases delivered per gallon of fuel

Improvement factors:
equipment, loading, routing and driver technique

Walmart operates approximately 6,000 trucks pulling millions of loads each year in the U.S. While the domestic fleet accounts for our largest portion of company-owned trucks and trailers, globally we also maintain other private fleets and work directly with third-party transportation providers to keep store and club shelves stocked.

Since 2005, we have been working hard to reduce our fuel footprint through our goal to double fleet efficiency by the end of 2015. In pursuit of that goal, Walmart U.S. Logistics continued to drive savings in its transportation operations, achieving an 84.2 percent improvement in fleet efficiency over our 2005 baseline. Industry-leading innovation in both equipment and operations resulted in this 4 percent increase over 2012.

In terms of transportation as a whole, we delivered nearly 181 million more cases, while driving almost 167,000 fewer miles in 2013 as compared to 2012. Had we not improved our efficiency, we would have driven 34 million more miles than the previous year to deliver the additional cases. Every mile not driven is fuel not burned. That efficiency saved the company nearly \$65 million and avoided almost 25,000 metric tons of CO₂, which is the same as taking 5,000 cars off the road.

Walmart associates and our vendors work in multiple ways to continue to drive efficiency. The primary means we have at our disposal include:

- Effective driving techniques, such as minimizing idle time and progressive shifting, to ensure optimal performance from equipment
- Advanced tractor-trailer technologies that increase efficiency, like electrification, light-weighting, improved aerodynamics and fuel-efficient tires
- Improved processes and systems that drive more efficient loading and routing of merchandise

**In 2013, we delivered
+181 million
cases while driving
–167,000
miles than in 2012
in the U.S.**

Moving forward: Walmart's Advanced Vehicle Experience

Reaching our goal by the end of 2015 will require careful execution of identified efficiencies, as well as a commitment to finding new breakthroughs. Driving toward this, Walmart unveiled its technology demonstration vehicle featuring leading-edge aerodynamics, electrified auxiliaries (A/C, steering, air compressor) and a scalable prototype advanced microturbine-powered range-extending series hybrid powertrain. The objective of our concept truck is to test and learn from a wide range of technologies that could improve the overall fuel efficiency of our fleet, as well as contribute to our ability to transition to alternative fuels, reducing our overall carbon footprint.

Built in collaboration with Peterbilt Motors and Capstone Turbine Corporation, the truck's shape represents a 20 percent reduction in aerodynamic drag compared to our current Peterbilt Model 386, one of Walmart's standard fleet vehicles. By placing the cab over the engine, the wheelbase of the truck can be greatly shortened, resulting in reduced weight and better maneuverability.

The prototype powertrain takes two proven technologies and combines them in a way that takes advantage of the key strength of each. While common in other applications, turbines haven't been used in road vehicles because their efficiency is based on constant engine speed; therefore, they are adversely affected by the regular acceleration and deceleration of truck travel. By combining the Capstone microturbine with a hybrid-electric drive system, and using it only to charge the batteries rather than as the main engine, the turbine runs in its optimal environment. This takes advantage of its increased efficiency as compared to the conventional internal combustion engine.

Other key advantages of most turbines are their fuel neutrality and reliability. Microturbines will accept most types of fuel,

from diesel to natural gas to advanced biofuels, and produce very low emissions without the need for after-treatment. Their few moving parts result in lower maintenance and longer life expectancy.

The trailer, built by Great Dane, is almost exclusively carbon fiber, saving almost 4,000 pounds. The roof and sidewalls are made from single-piece, 53-foot carbon fiber, and the use of advanced adhesives eliminates the need for most rivets. The solid, one-piece floor reduces weight without sacrificing strength or performance. The convex nose shape enhances aerodynamics while maintaining cargo capacity, and next-generation, low-profile LED lighting is more energy efficient and less prone to damage.

Moving forward: Operations

Reducing the fuel used in our operations requires a commitment by the entire Logistics division to try to ensure every trailer is loaded to optimal capacity, routed the shortest miles to its destination and safely delivered on the most efficient equipment. Every function plays a role: the associates loading and receiving trailers, the truck drivers, the maintenance technicians, the dispatchers and the strategists. And the closer we get to our goal, the harder our teams must search to find opportunities for the remaining 20 percent.

Sometimes those improvements are found in sophisticated systems and technologies, while others are found by stepping back and rethinking processes. In one instance the opportunity was found, quite literally, by stepping up rather than stepping back. At times, general merchandise trailers can't be loaded to capacity because many associates can't reach the top. By using a two-step safety stool, we were able to increase trailer fill by nearly 3 percent. In addition, on the grocery side, a new load designer system identifies unused space and more accurately designates pallet positions on the trailer for optimal loading/off-loading in our complex tri-temp and multistop operation.

Many of our efficiencies are driven by systems, so data inaccuracies can have a tremendous impact on our operations. Item files, used to build out a load, describe the size and weight of the cases we carry and may be inflated, leaving unused space in the trailers. Our teams have been working closely with suppliers and distribution center teams to increase the accuracy of the item file, which results in increased trailer fill.

Working as a team within Logistics is important for efficiency, but collaboration across the organization with our store and club partners is critical. Effective ordering and delivery schedules are fundamental to filling trailers and reducing miles. As demand and product mix change throughout the seasons, our strategy team responds by altering deliveries to match need rather than a fixed schedule. For example, if a store or club normally receives deliveries seven days a week during peak season, their schedule is changed to five or six days during slower periods, which keeps the trailers as full as possible and eliminates the miles for the extra deliveries.

Moving forward: Alternative fuels

Current efforts are focused on natural gas. Our first test of compressed natural gas (CNG) as a truck fuel was in 1989 in New Braunfels, Texas, with a subsequent test in 1993 in Porterville, Calif. The latest testing of liquid natural gas (LNG) began in 2009 at our Apple Valley, Calif., distribution center. In 2012, we were one of the first companies to receive the new Cummins Westport ISX 12-liter engines, and that test continues today. The evaluation of both LNG and CNG includes performance and reliability of the equipment, maintenance impacts, fuel economy, access to fuel, overall cost and life cycle sustainability.



Waste



81.66%

store materials diverted from landfill in U.S. stores, clubs, distribution centers and other facilities

Operation waste diversion

Today, we're diverting 81.66 percent of the materials that flow through our U.S. stores, clubs, distribution centers and other facilities. We continue to make improvements by providing more accurate and timely reporting to our associates in the field, and by finding better diversion options for groups of facilities.

While we continue to look for ways to divert materials to a higher and better use, we've also successfully worked with our suppliers and vendors to prevent many materials from becoming part of the waste or recycling stream. **Total annual waste generated from operations in the U.S. (diverted and nondiverted) has decreased by 3.3 percent, compared to our 2010 baseline.**

Our goal of achieving zero waste motivates associates and suppliers across our global operations, and we continue to make measurable progress every day. For instance, our operations in Japan and U.K. are now diverting from landfill more than 90 percent of the materials that used to be characterized as waste. Walmart Canada and Walmart Mexico are diverting more than 70 percent of their waste.

Walmart Zero-Waste-to-Landfill Program

Recycle, repurpose, reuse

Walmart compiles disposal and recovery data for 50 separate waste categories, such as cardboard, paper, aluminum, plastic bags and more.



50
separate
waste
categories

 571
million pounds
of donated food

Donated food

In 2013, Walmart stores/clubs donated 571 million pounds of food – the equivalent of 368.6 million meals – to local food banks and hunger relief organizations, like Feeding America.

Reused organic material

Walmart worked directly with suppliers to turn 56 million pounds of recovered cooking oil into bio-diesel, soap or a supplement for animal feed.



56
million pounds
of recovered
cooking oil

Food throwaway reduction

Walmart in Central America, Japan, Mexico and U.K. continues to drive significant progress toward food throwaway reduction. Walmart Brazil leveraged global best practices in 2013 to improve produce presentation, standardize operating procedures, align orders with sales and implement a storage guide to avoid produce waste. This helped Brazil reduce annual food waste by 1.7 million kilograms and improve customer experience.

Taking a broader view

While we've made significant progress since announcing our commitment to achieve zero waste, we're now leveraging the successes and learnings along the way to take a more comprehensive value-chain view of our global waste program. By taking a more comprehensive approach – considering waste at all generation points along the life cycle of our products – we will begin to move forward in ways that were previously unimagined.

Globally, we've added depth to how and with whom we work within our markets. In addition to identifying associates who will lead these programs in each of our markets, we plan to enhance the people, processes and data that can be leveraged across all geographies. Together, these improvements will enable us to increase the speed, consistency and reach of our pursuit of zero waste globally.



While infrastructure and regulations vary greatly in the markets where we operate, the following represent the common drivers and challenges across our global operations:

Drivers

- **Information:** Organized measurement, tracking and reporting tools, and processes; working toward being able to report our global waste diversion in the future
- **Champions:** Associates who actively promote and execute diversion programs at the facility and market level
- **Efficiency:** Leverage the use of our own infrastructure and resources at scale
- **Paradigm shift:** Change mindset from the handling of waste to the management of commodities

Challenges

- **Infrastructure:** Lack of recycling infrastructure in multiple markets
- **Collaboration:** Finding companies who can meet our needs for equipment, processes and data, and who can provide effective solutions for the broad range of commodities that flow through our facilities
- **Legislation and regulation:** Wide-ranging legislation and regulation that varies from region to region, even within markets
- **Widely dispersed base of stores:** Transportation becomes challenging



Products



Improving product sustainability

Our customers have high expectations of us – and they should. They expect us to bring them a broad assortment of merchandise at everyday low prices, and that we'll help them save money so they can live better. But they also expect that the products they buy from us are produced responsibly. We believe customers shouldn't have to choose between products they can afford and products that are produced in an environmentally responsible way.

Together with our suppliers and NGO stakeholders, we're working hard to exceed those expectations. We're making sustainability part of how we buy and sell merchandise around the world. In doing so, we're taking a leading role in addressing the most important issues facing the consumer goods industry, helping our suppliers become more competitive businesses, creating a more resilient supply chain and increasing our customers' trust in us and the brands we carry.

In 2013, to deliver on our commitment to sustainable products, we expanded engagement, deepened integration and led major initiatives in key hot spots in our supply chain.

Expanded engagement

- Expanded Sustainability Index scorecard rollout to more than 700 categories
- Piloted the Sustainability Index in six markets
- Trained more buyers and suppliers on sustainability in their businesses

Deepened integration to drive progress

- Utilized Sustainability Index scorecards in key merchandising and sourcing processes
- Set goals across U.S. merchandising to drive accountability
- Improved Sustainability Index results across the business

Led initiatives in key hot spots

- Launched or expanded product and supply chain innovation projects in every major business unit
- Convened supplier summits to tackle key issues
- Improved outcomes in hot spots across the value chain

Sustainability Index



Index progress

- More than 700 Walmart categories covered by the Index
- Rolled out or piloted in the U.S. and six international markets
- Index score improvements (year over year) in all major business units

Delivering sustainable products

The Sustainability Index is central to our ability to deliver sustainable products for our customers. Launched in 2009 in collaboration with The Sustainability Consortium (TSC), the Index helps retailers and their suppliers:

- Improve the sustainability of the products customers love
- Integrate sustainability into the business of buying and selling merchandise
- Reduce cost, improve product quality and create a more resilient supply chain
- Strengthen customers' trust in retailers and the brands we carry

Over the past two years, TSC significantly expanded the categories covered by the Index, enabling Walmart to deliver powerful tools to more buyers and suppliers in more markets. With these tools in hand, buyers and suppliers can understand, measure and drive innovation that improves the sustainability of the products customers buy. At Walmart, we're using these tools to collaborate up and down the supply chain on projects that improve Index scores by addressing key hot spots, while driving efficiency, reducing waste and saving our customers money so they can live better. Examples of these projects across each of our major businesses are detailed later in this section.

TSC update

In 2013, TSC continued to establish itself as the global leader in consumer goods industry sustainability measurement and reporting. Through its growing presence in China and the implementation of its tools across global supply chains, TSC is changing the way products are designed, produced, distributed and used around the world.

- Delivered tools to help decision-makers understand and measure sustainability covering 492 types of products (unique "bricks" in the Global Product Classification System)
- Engaged 150 organizations in consumer goods sustainability
- Established in three countries with contributing staff, researchers and members

Delivering impact

While a growing number of buyers and suppliers are using the Index to understand and improve sustainability in their own categories, this program enables us to look across our business at hot spots in our overall supply chain. We've identified priorities in each of our businesses and have used them to develop industry-leading programs that are accelerating product sustainability across the industry. From sustainable chemistry to fertilizer optimization and energy, we're using our size and scale to deliver results against the biggest issues and opportunities.

One great example of how we're delivering impact is through the progress we've made on our goal to eliminate 20 million metric tons (MMT) of greenhouse gas (GHG) emissions from the supply chain. Through our strong partnership with the Environmental Defense Fund and by leveraging the Index as a tool to gain buy-in and create accountability, we've:

- Eliminated 7.575MMT of GHG by the end of 2013
- Implemented projects that are estimated to eliminate 18MMT of GHG emissions by the end of 2015



Sustainable food



Leveraging our global scale

Globally, there's growing concern regarding food and nutrition. In fact, the United Nations estimates food production must increase by roughly 70 percent to feed the estimated 9 billion people who will inhabit the planet by 2050.

As the world's largest grocer, we have an opportunity and the responsibility to use our global scale and resources to play a significant role in contributing to solutions for one of the most important issues facing our world today. We're forming direct connections between farmers, markets and training. And in doing so, we're strengthening local economies, providing long-term access to affordable food and creating supply chain transparency. The following represents a sampling of the progress we've made in three critical focus areas:

Produce more food with fewer resources

- **Pilot commodity optimization program:** We collaborated with 15 large suppliers – representing 30 percent of our food and beverage sales in North America – to pilot commodity optimization. For example, by providing farmers with data and tools, they're able to develop plans to optimize fertilizer and tilling practices in corn and soy crop rotations. By doing so, they save money, reduce greenhouse gas (GHG) and, ultimately, deliver more sustainable products to customers. The pilot commodity optimization program includes 2.5 million acres, with the potential to reduce GHG by 2.3MMT.
- **Fertilizer optimization:** While the work on fertilizer optimization has been foundational, we're exploring opportunities to scale this and other pilots into a resilient sourcing strategy across food commodities. We're in the process of developing new relationships that could total 14 million acres, with the potential to reduce GHG by an estimated 7MMT.

Support farmers and their communities

Small and medium-sized farmers in emerging markets will be counted on to meet half the increased global demand for food and clothing through 2050, and Walmart has committed to goals to improve their livelihoods:

- Sell \$1 billion of goods sourced from 1 million small and medium-sized farmers in emerging markets by the end of 2015:** In 2013, we undertook a mapping process to estimate the number of small and medium-sized farmers in the supply chains of Walmart private brands. Given this work, we estimate Walmart is sourcing \$4 billion from 1.2 million to 1.4 million small and medium-sized farmers. We've focused our programmatic sourcing efforts in our produce purchasing, where we have the most direct relationship with farmers, and funded training programs for farmers in several other categories.

- Train 1 million farmers and farm workers by the end of 2016, of which we expect half to be women:** By the end of 2013, Walmart and the Walmart Foundation had contributed to training 307,332 farmers and farm workers in emerging markets, of which 132,405 were women. In addition, the Walmart Foundation funded six projects in Africa and Asia in 2013, which will reach another 370,000 farmers, an estimated 258,000 of them being women.

- Increase incomes of farmers by at least 10 percent by the end of 2015:**

In China, we continue to work with the University of California at Davis and the Chinese Center for Agricultural Policy to conduct an income assessment of produce production bases that supply Walmart China and other retailers.



For related information

Women's economic empowerment page 68



Sustainably source key food commodities

- Palm oil:** The demand for palm oil in thousands of everyday products has contributed to significant deforestation around the world. With a focus on key markets, Walmart is phasing sustainably sourced palm into our private brands. In Walmart U.S., we've successfully transitioned 25 percent of our private brands to sustainable palm, and we're committed to scaling that approach across all private brands where palm oil is an ingredient. To date, 27 percent of palm oil used in our private-label products globally is sustainably sourced, driven largely by the 100 percent RSPO-certified palm secured by our Asda business in the U.K.
- Beef:** Beef has become a priority focus for the company, as we aim to preserve biodiversity and decrease GHG by promoting advanced environmental

management plans. By working with industry and NGOs, we've set out to scale environmental best practices to cattle ranches and feed yards. We're working toward a dedicated beef supply with environmental specifications, accounting for 15 percent of the industry by 2023. In addition, we continue to make progress on our commitment to ensure that none of the beef we source from Brazil contributes to deforestation. In 2013, Walmart Brazil worked with suppliers to develop a database of ranches that supply beef and rolled out supplier qualifications and continuous improvement plans. Inspired by the Beef Monitoring and Risk Management System, this work is being expanded to support all international markets that source beef from Brazil.

- Seafood:** More than 90 percent of Walmart U.S., Sam's Club and Asda's fresh and frozen, farmed and wild seafood is certified by Marine Stewardship Certification (MSC) or Best Aquaculture Practices (BAP), or engaged in a Fishery Improvement Project (FIP). In 2013, Walmart took another significant step forward by initiating the globalization of its sustainable seafood. Africa, Brazil, Canada and Chile are now participating in the initiative, bringing Walmart's sustainable seafood efforts to the global fishery landscape. In addition, we engaged with other retailers, suppliers, scientists and NGOs in a TSC-led project to develop Seafood Sustainability Program Principles. These principles allow us to understand whether a sustainable seafood program has been developed and managed in a credible way.

Policy on sustainable chemistry in consumables

Consumables



Design for the Environment

Walmart will strive toward formulating and labeling its private-brand products in accordance with the EPA's Design for the Environment (DfE) program. The EPA's DfE Safer Product Labeling Program is an authoritative, voluntary program that reviews the safety of products by evaluating their individual ingredients against transparent, scientifically-based criteria.

Products that earn the DfE label have had every ingredient evaluated for human health and environmental effects using the most current information, predictive modeling tools and expert judgment. In acquiring a DfE label, a product proves that it contains the safest possible ingredients for its function.

Walmart will begin its private-brand collaboration with the DfE Safer Product Labeling Program with household cleaning products in January 2014 and expand to other product categories as the DfE program expands.

Walmart customers expect products that are safe, affordable and sustainable. This preference is especially relevant to consumables products that customers put in them, on them or around them.

In September 2013, Walmart U.S. and Sam's Club U.S. announced a Policy on Sustainable Chemistry in Consumables to empower customers and members with information about the products that we offer them and to accelerate the use of Sustainable Chemistry in the formulation of those products. Sustainable Chemistry is the design of chemical products and processes that reduce or eliminate the use or generation of substances hazardous to humans and the environment. This policy was the result of more than a year of collaboration with suppliers, NGOs, academics, government and industry stakeholders.

We set new expectations among suppliers in three broad areas:

- Increase transparency by disclosing all product ingredients online beginning January 2015 and priority chemicals on product packaging beginning January 2018.
- Advance the safer formulation of products using risk assessment, hazard avoidance and informed substitution principles.
- Certify private-label products under the U.S. Environmental Protection Agency's (EPA) Design for the Environment (DfE) Safer Product Labeling Program to the extent possible.

Walmart will monitor progress against these expectations through the Sustainability Index and The Wercs, a third-party product data clearinghouse, beginning January 2014. Walmart will publicly communicate aggregate progress against this policy beginning January 2016 using the following metrics:

- Percentages of products with online and on-pack disclosure
- Weight volume of priority chemicals and percentage of products with priority chemicals
- Percentage of products formulated exclusively with DfE-approved ingredients
- Percentage of private-label products that are DfE certified



In November 2013, Walmart announced the Great Value™ Naturals product line to bring sustainable chemistry principles to our customers at a price they can afford. The new line of all-natural cleaning products is as effective as leading conventional cleaners and available in more than 2,000 Walmart stores across the U.S.

Packaging and materials

Delivering more value with less impact

Packaging is a crucial part of how we deliver value and help our customers save money so they can live better. Working with our suppliers, we are improving the sustainability of packaging by reducing waste, optimizing materials and design, and rethinking how we transport and market products.

In April, we successfully exceeded our goal to reduce product packaging by 5 percent, compared to our 2008 baseline. We achieved this milestone by collaborating with suppliers on a variety of initiatives to eliminate unneeded packaging components and optimize packaging performance. We've seen a variety of innovations in packaging throughout the supply chain as a result of this packaging goal, which has driven savings for our customers. Many examples of the success stories can be found on our corporate website.

Based on this success and the importance of packaging sustainability, we are now taking steps to further integrate packaging improvement into our business and align it with the tools merchants are using today. Walmart will incorporate the learnings and successes of the Packaging Scorecard into the Sustainability Index. This evolution will build packaging into our holistic view of sustainability performance for all categories, will streamline the reporting process for suppliers and will enable emphasis of priority initiatives.

We look forward to further collaboration with suppliers as we begin a new chapter in our ambition to improve the sustainability of packaging.

Recycled content initiative

We're working with major suppliers that use plastic in packaging and products and asking them to measure and improve performance in recyclability and recycled content. A collaboration with the Association of Postconsumer Plastic Recyclers led to the development of Design for Recycling guidelines to enable our buyers and suppliers to prioritize opportunities to improve the recyclability of plastic packaging. In an effort to help boost supply of recycled plastics, we have engaged more than a dozen municipalities in a dialogue around barriers and opportunities for collaboration. We estimate this initiative will allow a more consistent and higher-quality stream of material for suppliers, while helping them meet their own goals established around recycling in ways they can't do alone.

Recycled content initiative (2020 estimated results)

+3 billion
pounds recycled plastics

+15,000
jobs created

-3 million
metric tons of GHG



Products

General merchandise



Providing products responsibly

As the world's largest retailer, it's our job to make sure the products we sell are as sustainable and responsibly produced as possible. From the materials in our products to the ways they're made, we're continually working with our suppliers to improve the goods our customers depend on us to provide. The following illustrates recent activity and progress:

Helping
200 factories
achieve 20% efficiency

Factory energy efficiency

We reached a significant milestone in 2012, delivering on our commitment to help the top 200 factories we source directly from in China improve energy efficiency by a minimum of 20 percent. But that was just the beginning. We're piloting a variety of tools, including RedE, an online tool powered by McKinsey & Company that allows organizations to input technical details and receive the answers they need – from start to finish – to accelerate their journey to energy efficiency.

If 1,000 factories adopt RedE, the potential exists to reduce coal consumption by an estimated 230,000 tons, while also eliminating greenhouse gases (GHG).





Recycled content in plastic products

Through the recycled content initiative described above, our General Merchandise buyers are working with suppliers to incorporate more recycled content – specifically recycled plastics – back into items like storage containers, trash cans and other products we sell. By closing the material loop, we're decreasing the risk of higher and more volatile material costs in the future, eliminating GHG emissions in the supply chain and diverting valuable materials from landfill.

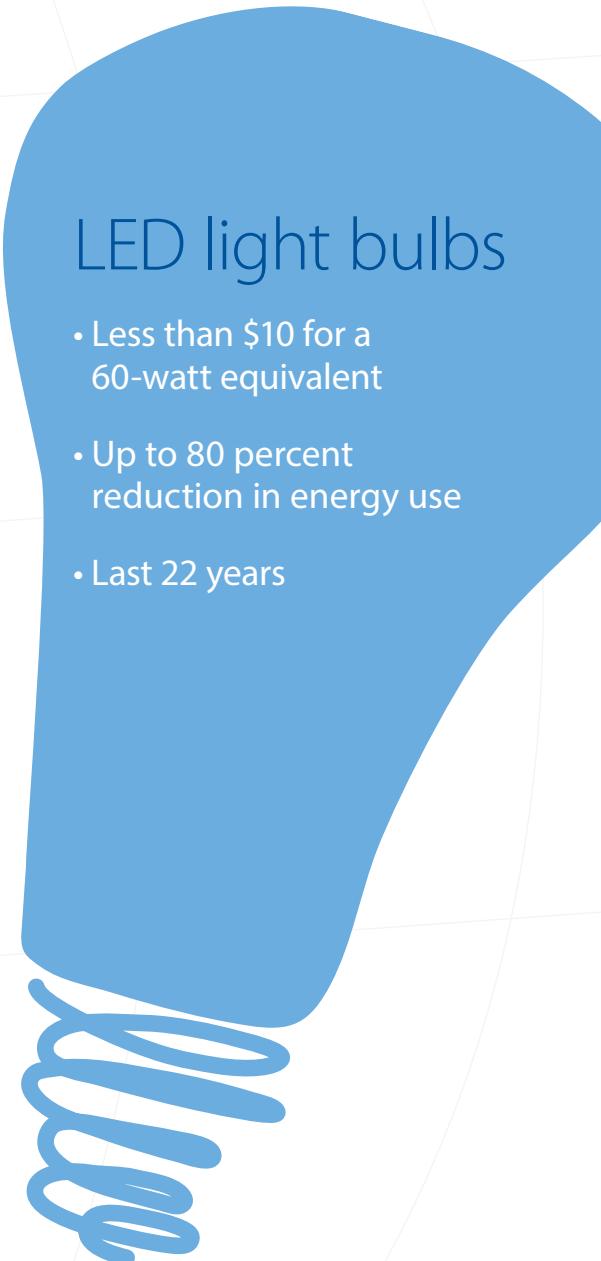
LED light bulbs

In 2013, we introduced Great ValueTM- and GE-brand LED light bulbs, starting at less than \$10 for a 60-watt equivalent Great ValueTM bulb.

These bulbs reduce energy consumption by up to 80 percent over traditional incandescent bulbs, produce great light and last for 22 years.

Clean by Design

We've collaborated with the Natural Resources Defense Council (NRDC) on Clean By Design, a program that uses the buying power of multinational corporations as a lever to reduce the environmental impacts of apparel suppliers abroad. By focusing on process efficiency, supplier textile mills can reduce water, energy and chemical consumption, while significantly limiting potentially harmful emissions.





Local markets



So many ways to make a local difference

Walmart continues to grow its presence and reputation, with thousands of stores in the U.S. and internationally. Through this model of expansion, which brings the right store formats to the communities that need them, we're creating opportunities and bringing value to customers and communities around the globe. The following sections detail some of the most impactful social, environmental and company programs and initiatives within each of the individual markets we serve, as we strive to save people money so they can live better.

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Sam's Club – U.S.



Walmart makes a difference in
the lives of people all over the
world every day.





Our company

We operate in an era of transparency, where advancing technology is erasing boundaries between individuals, nations and organizations. We're interconnected and interdependent. In such an environment, we're uniquely positioned to thrive because of our culture, business model and method of operations. As we grow and continue to fulfill our purpose of helping people live better, we must work together with our associates, customers, suppliers and communities to continue building a sustainable future.

2.2 million
associates worldwide

\$473 billion
fiscal 2014 net sales

nearly
11,000
retail units under
69
banners in
27
countries

**Serving customers
245 million
times per week**

- Bringing affordable, safe, sustainable products to people every day
- Generating job growth
- Increasing tax base in communities



Walmart U.S.

**\$279.4 billion
Sales in FY2014**

Today, there are more than 4,000 total stores in 50 states and Puerto Rico offering a convenient shopping experience across the U.S. Walmart offers low prices on the broadest assortment of grocery and general merchandise through a variety of formats, ranging from supercenters and supermarkets to smaller formats. We also offer the convenience of online shopping at walmart.com.

Walmart International

**\$136.5 billion
Sales in FY2014**

In 1991, Walmart became an international company when we opened a Sam's Club near Mexico City. Just two years later, Walmart International was created. We operate retail units with many different formats and leverage our global resources to meet local needs. Today, Walmart International is the fastest-growing part of our overall business, with more than 6,000 stores and more than 800,000 associates in 26 countries outside the U.S. and Puerto Rico.

Sam's Club

**\$57.2 billion
Sales in FY2014**

The first Sam's Club opened in Midwest City, Okla., in 1983, and has grown to include more than 600 locations nationwide. Our warehouse membership format leverages insights to deliver value and quality on a broad selection of name-brand merchandise and large-volume items. On average, our clubs are approximately 133,000 square feet and employ about 175 associates.



Africa



At a glance

Formats: 8

Banners: Builders Express, Builders Trade Depot, Builders Warehouse, Builders Superstore, Cambridge Food, CBW, DionWired, Game, Jumbo Cash & Carry, Kanga, Makro, Rhino Cash & Carry and Value Mart

Stores: 379

Learn more: www.massmart.co.za
www.massmart.co.za/sustainability/overview

2013 average exchange rate: 1 USD = 9.61 South African Rand (ZAR)

Workplace – Africa



Associate engagement

By understanding the needs of our associates, we're able to develop meaningful ways to address their concerns and ensure continued positive development. As part of our annual staff engagement survey, we gathered valuable feedback and insight from our associates, with more than 80 percent of our associates noting the company's success is important to them.

Council of Women Leaders

The Massmart CEO's Council of Women Leaders is a leadership development program that encourages women-to-women mentorship to promote equal opportunity and transformation within Massmart. The council, established in June 2012, is comprised of executives and senior managers who engage in constructive conversations related to transformation in the business. Also serving as an advisor to the CEO, the council is not limited to the participation of women and encourages the involvement of male senior leadership from within the company.

Health and wellness

Africa accounts for an estimated two-thirds of the world's HIV/AIDS cases and 27 percent of tuberculosis cases. Lifestyle illnesses, such as diabetes and obesity, are also of increasing concern. Despite these challenges, many Africans still don't have adequate access to quality health care services, so Massmart is continually finding ways to innovate and highlight the holistic wellness of our associates as the key to their well-being and as a driver of business productivity.

In addition to our medical benefits, we offer a comprehensive subsidized wellness program called Impilo, which includes:

- A fully funded HIV treatment program, inclusive of medication, for associates with no medical coverage
- Testing and early diagnosis for those living with chronic diseases (high blood pressure, diabetes, asthma, weight, nutrition, cholesterol and HIV)
- Counseling to support associates' emotional and physical wellness
- Financial guidance and legal support
- Associate wellness day events, including orientation sessions, health-risk screening, vision tests and vendor exhibitions. These are held at our home offices, distribution centers and stores

Social – Africa



Vegetables Under Construction

Massmart believes in sustainable giving and encourages entrepreneurship wherever possible. One such example is our Vegetables Under Construction initiative, which allows schools to grow fresh produce on location. The produce is utilized for school meals, while the surplus is sold for profit. In 2013, we donated eight vegetable tunnels that benefited more than 450 primary school children.



Direct farming program: One way to make a difference

Since August 2012, our direct farming program, Ezemvelo, has connected smallholder farmers with market access, and has expanded to include participants across five South African provinces. From January 2013 through October 2013, Ezemvelo participants recorded ZAR4.3 million in produce sales via Massmart stores.

School infrastructure maintenance

Many schools are in need of basic maintenance but lack the tools to get the job done. Through Builders Warehouse, we donated 28 Siyasa gardening/maintenance toolkits and sturdy construction sheds to schools in need. In addition, 72 primary schools received building repair and maintenance assistance through our work with Ripples for Good, a local organization committed to motivating positive change.



Mosquito net project

Malaria kills more than 1 million people annually in Africa. One way we're making a difference is through our One Net, Save Five Lives initiative. Driven by our Game stores in collaboration with the Kingsley Holgate Foundation, this program provides insecticide-treated mosquito nets to malaria-prone areas in Malawi, with the majority of recipients being pregnant women and children. Since 2010, we've donated 10,800 nets and continue to make a difference against this treatable and preventable illness.

Support for military families

We maintain a strong relationship with the South African National Defence Force (SANDF). In 2013, Massmart and our suppliers distributed 5,500 food parcels to the families of SANDF members on United Nations mandate stationed along the borders of South Africa and other African countries.

Environment – Africa



Saving more than money

Energy

Massmart has always had a strong focus on energy efficiency. By incorporating LED lighting, daylight harvesting systems, high-performance refrigeration plants and more, we've reduced energy consumption at our new generation Makro stores by as much as 36 percent. These improvements earned Makro recognition as an Eskom eta Award winner in the commercial category. In addition, Massbuild has trialed a range of energy efficiency technologies, including LED, daylight harvesting and Building Management Systems. In doing so, we can, for the first time, accurately quantify the savings achieved through the various technologies.

Water

Sub-Saharan Africa is among the driest regions in the world. In fact, the United Nations estimates 75 million to 250 million people in Africa will be living in water-stressed areas by 2030. Although Massmart is a modest user of water, we're intent on minimizing unnecessary operational consumption. Initiatives include the rainwater harvesting program in place at 62 of our Builders Warehouse and Builders Express stores, and the capturing of refrigeration condensation at 10 Makro stores. Fifteen of those sites came on board in 2013, saving an estimated 7,450 kiloliters of water across all 72 sites.

Operational waste

In order to minimize our operational waste, we've prioritized the recycling of paper, plastic and cardboard at our stores and distribution centers. In order to accurately measure the volume of operational waste and ensure we manage it responsibly, we've developed an online store waste self-assessment survey. In 2013, we received input from 248 stores (72 percent participation rate) and estimate that up to 55 percent of our operational waste was recycled and, consequently, diverted from landfills. In addition, we've diverted an estimated 130 tons of e-waste via Makro's e-waste take-back scheme.



Sustainable seafood: A proactive approach

Globally, fisheries are under pressure, with the United Nations Food and Agricultural Organization (FAO) estimating that approximately 80 percent of the world's fish stocks are either at or near overexploitation. We're committed to sourcing seafood sustainably and working with suppliers to promote sustainable practices. In 2013, 77 percent of seafood suppliers responded to our seafood advocacy survey. More than 40 percent of those reported that the fisheries they source from are certified as sustainable by an accredited third party.

By way of our Marine Stewardship Advocacy Process, we identified we were sourcing Argentine hake that was red-listed by the World Wildlife Fund: Southern African Sustainable Seafood Initiative (SASSI). We've discontinued sourcing of the product until the fishery is in full compliance with SASSI. We remain focused on proactively monitoring the practices of our suppliers and promoting the implementation of fishery improvement projects (FIPs).

Argentina



At a glance

Formats: 5

Banners: Changomas, Changomas Express, Walmart and Walmart Supermercado

Stores: 104

Learn more: www.walmart.com.ar

www.walmart.com.ar/articulo/19/desarrollo_sustentable

2013 average exchange rate: 1 USD = 5.48 Argentine Peso (ARS)

Workplace – Argentina



2013 associate job creation and promotion

36 Manager Development Program participants

19 participated in international development projects and assignments

1,605 new hires

357 associate promotions

98 completed programming at Training and Development Center

85 from Supercenter and Changomas received leadership training

Global Food Safety Initiative

We recently earned Food Safety System Certification 22000 (FSSC 22000), a certification benchmarked by Global Food Safety Initiative (GFSI) standards, at our cold meats processing plant. This certification focuses on identifying potential risks, promoting communication, driving improvement and more. Walmart Argentina became the first retailer in the country to earn certification in one of these international standards. As a result we've further improved our organizational efficiency and the safety of our products throughout the supply chain.



Social – Argentina



Food Bank Network

Since 2010, we've collaborated with the Food Bank Network to grow our food waste rescue program. We donate near-expiration food from our stores for quick distribution to food banks within the network. In 2013, Walmart Argentina donated more than 139,000 tons of food to those in need, diverting a significant amount of operational food waste from landfills.

In addition, Walmart Argentina supports Food Bank Network via the Nationwide Food-Raising Campaign. In 2013, we awarded a grant of ARS\$88,000 and collected 11,105 kilos of food donations from our customers and associates at 25 stores.

Driving to Transform

We recently completed the third year of our Driving to Transform program, designed to foster the development of social entrepreneurial projects led by young women in Argentina. Throughout the three-year cycle, we worked with entrepreneurs in 12 provinces: Buenos Aires, Córdoba, Mendoza, Neuquén, San Juan, Río Negro, Formosa, Chaco, Jujuy, Santiago del Estero, Tucumán and Salta. In alignment with Walmart's Global Women's Economic Empowerment initiative, this program identifies the most innovative and sustainable ideas that have potential to positively impact local communities and supports them with training programs. These young entrepreneurs have opportunities to access seed capital funding and to belong to the world network of Young Agents of Change through a program called Avancemos (Let's Move Forward), which includes 65,000 young people from 23 countries. To date, Driving to Transform has served 144 women across Argentina, directly impacting more than 2,000 beneficiaries. Participants have received more than 118 hours of training, and 50 teams have obtained seed capital to launch their projects.



Customers donating change: One way to make a difference

For the past 11 years, we've encouraged customers to donate their change to our With a Little, We Do a Lot fundraising campaign. Customers at more than 90 of our stores contributed more than ARS\$719,000 in 2013, supporting the efforts of Caritas and four other social organizations.

Environment – Argentina



Direct farming

Direct sourcing of produce reduces environmental impact by eliminating intermediaries and raising efficiency, while improving quality of life for farmers and their communities. In 2013, we remained committed to the development of suppliers through the addition of new direct farm suppliers of watermelons, plums and carrots. We purchased ARS\$155 million in products from 64 direct farmers. This accounted for 67.7 percent of the fruit, grain and vegetables sold at our stores.

Earth Month

For the fifth consecutive year, we've celebrated Earth Month at each of our 31 supercenters across Argentina. As part of this, we've been promoting environmental awareness by highlighting more than 400 products that are environmentally improved. The goal continues to be to promote responsible consumption habits and to establish greater environmental awareness. Each year, we receive more support from suppliers and media for the program.

Optimism that transforms

A collaboration between Walmart Argentina and Coca-Cola since 2009

- Customers deposit empty PET plastic bottles in specially designated recycling stations at stores
- In 2013, 66,900+ kilos PET plastic recycled
- Coming in 2014: Plans to upgrade to include glass and Tetra Pak

Brazil



At a glance

Formats: 9

Banners: BIG, Bompreço, Hiper Bompreço, Hiper Todo Dia, Magazine, Maxxi Atacado, Mercadorama, Nacional, Sam's Club, Supermercado Todo Dia, TodoDia, Walmart and Walmart Posto

Stores: 556

Learn more: www.walmartbrasil.com.br
www.walmartbrasil.com.br/sustentabilidade

2013 average exchange rate: 1 USD = 2.16 Brazilian Real (BRL)

Workplace – Brazil

Progress on diversity

Diversity groups

As part of our continuing diversity and inclusion efforts, we formally launched several associate diversity groups with focuses on youth, lesbian, gay, bisexual and transgender (LGBT), senior citizens, women, African descendants and associates with disabilities. These groups are comprised of volunteer associates who work together to create projects and actions aligned with the diversity and business strategies of the company.



Women's Council

In 2013, our Women's Council, which consists of 11 female and six male associates, conducted research to better understand the real needs of women within the organization and what steps can be taken to diversify our leadership pool. In alignment with our company's commitment to opportunity and Global Women's Economic Empowerment, we're committed to using what we've learned to take significant steps forward in 2014.

Race and Gender Equality Certificate

We received the Race and Gender Equality Certificate from the Secretariat of Policies for Women, a federal agency. The certificate is granted to institutions with initiatives that specifically combat discrimination and promote racial and gender equality in the workplace.

80% of leaders attended the Operations Academy in 2013.

Operations Academy

Walmart Brazil continues to invest in the development of its associates. The Operations Academy represents an example of one such investment, launched in 2013. The program focuses on training leaders of stores, clubs, distribution centers and specialty divisions in technical and leadership competencies to ensure excellence in operational performance, productivity and customer service. In 2013, 80 percent of our leadership (about 460 associates) received extensive training.



Social – Brazil



Women 360 Movement

We've completed the second year of our Corporate Movement for the Economic Empowerment of Women, also known as the Women 360 Movement. This involves our commitment to develop women in the company, the supply chain and the community through private social investment and social responsibility. In addition, it involves the image value of women in society, stimulating companies to include educational campaigns and messages regarding women in various roles.

Because of the work carried out in 2013, we created a Guide of Best Business Practices, which includes motivational cases depicting changes in the work environment through measures that enable women's empowerment. It's become a valuable resource for several issues, including benefits for women, maternity leave, work hours, health, quality of life, diversity, development and training. In celebration of the second anniversary of the Movement, the Walmart Institute and the Foundations and Enterprises Institution Group (GIFE) introduced the Investment Guide for Inclusion to Brazil, which promotes gender equality and women's rights.



Social School of Retail

Since 2011, Walmart Institute has supported the Social School of Retail, committed to providing those ages 17 to 29 with the professional training they need to work in various areas of retail. The program has been implemented in seven Brazilian states and has reached nearly 4,900 young people to date. In 2013, the program implemented an online monitoring system to follow progress across Brazil. In addition, the Social School of Retail team went to Argentina and Chile to help them implement the technology.

Supporting women entrepreneurs

In 2013, Walmart Institute launched Small Giants, an initiative focused on identifying, qualifying and recognizing women entrepreneurs in Brazil. The four-week training reinforces Walmart Brazil's commitment to women's socio-productive inclusion and the promotion of an entrepreneurial culture across the country. More than 30 women learned critical business skills related to the improvement of products, services and market analysis. All participants were challenged with projects of their own, and the top three earned financial awards to support future endeavors.

Caravan Walmart Institute

Caravan Walmart Institute, our traveling training program designed to stimulate the institutional development of NGOs, has been impacting lives since 2011. Participants first engage via classroom activities, followed by a continuing online education component. In 2013, 343 people (52 percent women) representing 312 NGOs from eight Brazilian cities participated.

Environment – Brazil



Composting: One way to make a difference

Three of our stores in São Paulo state have begun composting organic waste, which is processed into organic fertilizer for vegetable crops by a third-party contractor and then sold in our stores. In November and December 2013, 54 tons were processed. In addition to generating additional products and sales, this initiative will keep an estimated 104 tons of organic waste out of landfills, while eliminating costs associated with waste transportation and removal.

End-to-End

Through our End-to-End sustainability program, our suppliers introduced 18 improved products in 2013. These products featured reduced packaging, introduced additional recycled materials, and decreased the amount of water and energy consumed during production. Based on extensive product life cycle analysis – from raw material to disposal – Walmart's industry collaborators and private-label suppliers are challenged to identify and implement opportunities to make products more sustainable.

Going down End-To-End results

1,120 tons

GHG emissions (the equivalent of driving 6.5 million kilometers)

741,491,000 liters

Water consumption

614,447 kilowatt hours

Power consumption (savings worth 256,000 100-watt lightbulbs)

936 tons

Waste upgrades (such as byproducts through composting or fertilizers)



*based on estimated annual sales

Beef monitoring system

The Sustainable Agriculture Platform achieved great progress during 2013, mainly on the beef chain. Walmart Brazil, a leader in this global commitment, advanced in various stages throughout the contribution for developing a more sustainable beef chain.

One of the first actions taken during this period was to restructure the Sustainable Beef Platform, resulting from work performed under the Enterprise Partnership for Ecosystem Services, which used a methodology developed by the World Resources Institute (WRI). After some adjustments, the platform now includes four pillars: stakeholder relationship, supply chain development, risk management and knowledge.

Another significant step was the implementation of a monitoring and risk management system of social and environmental aspects of the beef chain, which involved the encouragement and engagement of meatpacking suppliers in the Amazon. Walmart met with them to explain how the system works, conducted training on the steps of the system and built the business and geographical records of indirect suppliers (producing farms). For this last step, Walmart team members went to supplier plants to provide training and to better understand their operations.

Cattle production pilot

As part of our ongoing efforts to promote more sustainable production practices among cattle farmers in the Amazon, we piloted São Félix do Xingu in southeastern Pará. Twenty properties were selected to undergo an environmental diagnosis so we could map legal issues and other critical details. In addition, Walmart launched the Sustainable Meat Project in conjunction with The Nature Conservancy, the Marfrig Group (a global food company), São Felix City Hall and the local Farmers' Union to provide the technical resources necessary to take meaningful steps forward.

In 2014, we aim to improve production from the current one-half head of cattle per hectare to up to four heads per hectare. We'll be working with the properties to continue to meet environmental legislation requirements, pursue administrative improvements and comply with tenure and labor laws.

Canada



At a glance

Formats: 2

Banners: Walmart and Walmart Supercentre

Stores: 389

eCommerce: www.walmart.ca

Learn more: walmartcanada.ca

2013 average exchange rate: 1 USD = 1.04 Canadian Dollar (CAD)

Workplace – Canada



Best workplace

A cornerstone of our culture is our commitment to make Walmart Canada the best place to work for our associates. Our talent philosophy is simple – we invest in associates. We offer opportunities to learn and grow through on-the-job training, classroom instruction, tools, resources and job aids.

Virtual classroom

We've developed a virtual classroom, which allows associates to learn on the job. The online solution complements the associates' day-to-day experience in stores, offering a more integrated approach to learning. We've also leveraged technology to create virtual teams and peer-to-peer learning support.

Cultural awareness

Fundamental to our associates' experience is diversity and inclusion. Walmart Canada has diverse cultural heritages from around the world, which we celebrate annually during our Cultural Awareness Day. This year, we expanded the event to our store associates across the country.

Women in Retail

Our Women in Retail program continues to lead Walmart in innovation, having recently won the prestigious Diversity Journal "Award of Excellence – Innovations in Diversity." Our Home Office program is performing well, with 65 participants. Our field program expanded this year. We leveraged our Women in Retail store captains from across the country to coach hourly associates on career development. Since the inception of the program in 2010, there has been a 55.6 percent increase in female store managers at Walmart Canada.

Associate opportunity

4,979
associates promoted in 2013

93,500
associates in Canada

55.6%
increase in female store managers
since the launch of Women in
Retail program in 2010

Hiring for fit

We look for people with a will to win, a passion for retail and a sense of purpose beyond the paycheck. We are sourcing a broad range of talent from former military personnel with great leadership and execution skills to dynamic and innovative e-commerce professionals.

Health and wellness

Live better is our mantra at Walmart. We invest in our associates' health and wellness through a new well-being program that supports Walmart Canada associates in setting and achieving healthy living goals. We offer participation incentives by way of points they accumulate, which they can spend on prizes such as Walmart gift cards or charity donations.



Social – Canada



National charity partners

Children's Miracle Network

Walmart Canada donated and raised C\$8.5 million in 2013, and more than C\$85 million since 1994, to help care for the more than 4,900 Canadian youth who pass through the doors of children's hospitals each day. Every dollar we raise is used to provide excellent services through the support of life-saving medical care, groundbreaking research and important educational programs for the most vulnerable young members of our communities. Also in support of Children's Miracle Network, we recently completed the 10th annual Walmart Walk for Miracles, held in 12 Canadian cities from coast-to-coast.

Canadian Red Cross

Walmart Canada raised and donated C\$3.5 million for the Canadian Red Cross to support disaster preparedness and response activities in communities across the country. This represents the largest domestic fundraising total in the 10-year union between the Canadian Red Cross and Walmart Canada. In addition to our annual fundraising campaign, Walmart Canada supported the Canadian Red Cross with relief efforts following major flooding in Alberta and the train derailment in Lac-Mégantic, Quebec. Walmart Canada raised funds, donated corporate dollars and products, provided associate volunteers and donated the use of its trucks and expert volunteers skilled in logistics and supply chain management to move a variety of supplies, including cots and rescue blankets for the Red Cross.

Breakfast Club of Canada

One in seven Canadian children is at risk of going to school on an empty stomach. Walmart Canada donated and raised C\$3.4 million in 2013, and more than C\$27 million since 2000, helping provide breakfast to more than 130,000 children annually.

Helping Canadian families in need

Our community giving mission is to help families in need across Canada. Our work includes support for our four national charities and local matching grants.

**Donated and raised more than
C\$200 million
for Canada charities since 1994**

C\$23 million
donated and raised
contributions in 2013



Evergreen

We recently achieved a special milestone in the history of the Walmart-Evergreen Green Grant program: 500 projects supported across Canada since the inception of the program in 2005. Evergreen has received more than C\$5 million in direct funding from Walmart Canada to the Green Grants joint action to date. In 2013, 70 communities across Canada received grants totaling C\$400,000 to fund neighborhood greening projects.

Environment – Canada



All-LED store

In November 2013, the Walmart Canada store in Stratford, Ontario, became our first fully LED-lit facility. By installing 18-watt LEDs throughout the new Supercentre in place of conventional fluorescent lighting, we've reduced overall light energy consumption by an estimated 28 percent. In addition, LEDs generate less heat, thus reducing the use of air conditioning. Combined, these energy-saving measures cut consumption by approximately 189,000 kilowatt hours (kWh) annually – a savings of approximately C\$18,000 annually.



Improving products

Product sustainability continues to be a priority for Walmart Canada. We've implemented the Sustainability Index across several categories, including toys, seafood, consumables, fresh beef and soft-home cotton products. One of several success stories from 2013 includes the conversion of our Hometrends PEVA tablecloth packaging from preprinted, fully enclosed plastic bags to an open-packaging concept. The new header box is made from folded carton materials and covers approximately half the tablecloth. In addition to allowing the consumer to touch and feel the product, the new packaging delivers a more sustainable solution to the category. In an effort to continue reducing plastics in packaging, plans are underway to expand open packaging initiatives in general merchandise private brands.



Waste diversion highlights

A significant contributor to our waste diversion success in 2013 was the expansion of our organics program to 20 additional Walmart stores, which diverted 5 percent more organic materials from landfills. Sixty-seven of our stores now use anaerobic digestion, a process that breaks down food and other organic material into biogas, which can be used to generate electricity.

75%
total waste diversion
for 2013 (251,281,298 kgs)



*Yvette Bedard, Category Manager, Seafood,
Walmart Canada Sustainability Buyer of the Year
Award Recipient*

Sustainable seafood

Working closely with the Walmart Global Seafood Sustainability Value Network, we made considerable progress in ensuring the seafood offerings across Walmart Canada are responsibly sourced. In June 2013, we hosted more than 100 seafood suppliers, NGOs and other stakeholders at the Walmart Canada Sustainable Seafood Summit. There, we stressed our commitment to compliance related to sustainable seafood practices and, through the end of October 2013, took several steps forward:

- Increased the amount of Marine Stewardship Council (MSC)-certified wild seafood in our supply chain from 22 percent to 34 percent.
- Successfully decreased the amount of high-risk seafood in our supply chain.
- Required our vendors to report seafood volume and source data quarterly, which allows us to track and monitor activity.

Central America



At a glance

Formats: 5

Banners: ClubCo, Despensa Familiar, La Despensa de Don Juan, La Unión, Mas X Menos, Maxi Despensa, MaxiPali, Pali, Superpaiz and Walmart

Stores: 661

Learn more: www.walmartmexicoycam.com.mx
www.walmartmexicoycam.com.mx/responsabilidad_social.html

Workplace – Central America



Associate compensation

We offer our more than 30,000 associates a compensation package that features:

- Market-competitive wages
- Medical and life plans available to all associates
- Special days with compensation for personal and family activities
- Temporary disability allowances in addition to the 100 percent associate wage guarantee
- Post-birth benefits for mothers and fathers, including a special schedule for up to the first seven months

Development and training

The following serves as a sampling of the continuing development and training opportunities we offer our associates:

- **Women Leaders Group:** This accelerated development program focuses on discovering the personal and professional potential of the participants. In 2013, 147 women associates graduated from the program.
- **Buyer Trainee Training:** This was developed to drive retail training for recent college graduates, with 38 participants.
- **Operations Academy:** A training program launched in 2013 that doubled the trained associates vs. 2012 through a blended learning methodology (computer- and classroom-based).



In 2013, 3,459 associates (11 percent) were promoted into leadership positions.



Diversity and inclusion

We promote an inclusive and equal-gender workplace. Nearly 41 percent of our associates are women, of which 36 percent are in leadership positions (2 percent increase over 2012). In addition, we employ 169 associates with disabilities. For a third consecutive year, we utilized video conferences, instruction guides, electronic bulletins and more to celebrate Gender Equity and Inclusion Week across Walmart Central America. In all five countries, we organized Women Associates Voice discussion forums, where associates were encouraged to share their opinions, challenges and suggestions related to development and growth opportunities for women within the company.

Social – Central America



Economic opportunity

In 2013, we donated US\$200,000 to a variety of projects dedicated to creating economic opportunities for women within our value chain and their communities. Our support of the following programs directly benefited more than 900 families over the past year.

Country	Associate	Project
Guatemala	AGER	Small and medium co-op with 136 gourmet coffee women producers
El Salvador	USAID	Sustainable fishery and merchandising of fish products
Nicaragua	VECO MA	Entrepreneurial development for 54 women plantain producers
	MPI	Entrepreneurial and commercial development for 22 women artisans
Costa Rica	AED	Economic empowerment for 300 women in extreme poverty
Honduras	CCIT	Strengthening 100 businesses led by women microentrepreneurs
	AHDESA	250 eco-stove installations to reduce pollution and pulmonary affections in 250 economically challenged households in rural areas

Notes: Asociación Gremial de Empresarios Rurales (AGER), United States Agency for International Development (USAID), VECO Meso América, Manna Project International (MPI), Asociación Empresarial para el Desarrollo (AED), Cámara de Comercio e Industria de Tegucigalpa (CCIT), Asociación Hondureña para el Desarrollo (AHDESA).

Reducing malnutrition in Central America: One way to make a difference

More than
1,900 metric tons
2013 food bank product donations
as well as financial support

110,179 adults and children served daily through food banks

Focus on women

Through Una Mano para Crecer, we guide, support and train small suppliers during the first three years of their commercial relationships with Walmart Central America. In 2013, we assisted 294 small- and medium-sized enterprises, from which we purchased US\$21.3 million, an increase of more than 11 percent over 2012. More than 40 percent of those SMEs are women-owned or women-led, from which our purchases increased by 27 percent over 2012. Suppliers in the Una Mano para Crecer program employ 4,236 people, of which 49 percent are women.

Also in 2013, we developed Business Round with 196 businesswomen in Costa Rica about Walmart's specific purchasing needs. The Business Round resulted in a number of supplier meetings with Walmart Central America buyers, yielding new products to be sold in our stores in 2014.

Environment – Central America



Tierra Fertil

Through the education of and investment in small- and medium-sized Central American farmers through our Tierra Fertil program, we're capitalizing on opportunities to bring a wider variety of produce and grain to markets across the region. In 2013, Walmart Central America was supplied by 1,733 small and medium-sized producers through Tierra Fertil, 4 percent of which are women. We made more than US\$124.6 million in direct purchases from these farmers in 2013, accounting for 69 percent of the total of produce and grain sold by Walmart Central America. In addition, responsible use of agrochemicals, crop rotation and more local production development reduces greenhouse gas (GHG) emissions because the products are traveling shorter distances to market.



Energy efficiency, GHG reduction

- In addition to outfitting all our big new stores with 100 percent LED lighting, we're in a gradual process of installing doors on all our open-case refrigeration units across Central America, with the exception of produce.
- Our refrigerant control program helped reduced recharges by 18.33 percent compared to 2012.
- We reduced energy consumption by 4.4 percent for same stores compared to 2012.
- Backhauling saved an estimated 121,230 gallons of diesel fuel and 1,235 metric tons of CO₂ emissions.



Recycling program results

Over the past six years, our Reverse Logistics Collection Program has helped us divert operational waste associated with our stores from landfill. In 2013 alone, we recycled 19,264 metric tons of waste through this program. This equates to saving 307,700 trees and 23,111 barrels of oil. Our working units are equipped to recycle aluminum, glass, PET bottles, wood, electronic equipment and organics in our food processing plants.

In 2013	materials recycled
18,100 metric tons	cardboard
2,101 metric tons	stretch film
585 metric tons	organics
307 metric tons	other materials

Chile



At a glance

Formats: 6

Banners: Buffet Café & Gourmet, Central Mayorista, El Buen Corte, Express de Lider, Ekono, Lider, Super Bodega aCuenta, Revive and Pío

Stores: 380

2013 average exchange rate: 1 USD = 495.48 Chilean Peso (CLP)

Workplace – Chile



Commitment to education

In order to promote academic excellence, we've implemented incentives for our associates and their families. The application process is held each December, and cash contributions earmarked for education purposes are awarded each April. In 2013, we gave scholarships to 1,074 associates and family members of associates, including 36 children with special needs.

Recreation Days

In an effort to improve quality of life for our associates and their families, Walmart Chile sponsors Recreation Days, an initiative during summer holidays (three days in January and February) and winter holidays (two days in July). These activities are for the children of a limited number of associates who have been with the company for at least one year. This programming ensures these children have access to a safe environment and recreational activities during these holidays.

Champions of Diversity

Walmart Chile is committed to creating diverse work teams and fostering an inclusive environment. We launched our Champions of Diversity program to train three to five associates per store in how to embrace diversity. As we hire minority associates, we connect them with these store champions to ease integration and promote productivity. In 2013, we trained small groups of associates at seven stores and hired 37 people with disabilities. We expect both of those numbers to grow in 2014.

Women in Retail

Our Women in Retail program was designed to increase the presence of women in leadership positions throughout the company. Through workshops and mentoring, this instruction plan helps our associates overcome cultural, gender and personal barriers along their career paths to leadership roles. In 2013, 40 female associates participated in the program.



Scholarships: One way to make a difference

Every year, Walmart Chile invites associates to apply to the Walmart Chile Scholarship Program, which helps finance remedial coursework, continuing education and specialization classes. The number of beneficiaries and the percentage of funds allocated are based on the application requirements met and the annual training budget. In 2013, 440 associates received funding through this scholarship program.

Social – Chile



120,000+
people

benefitted from 114 projects
in 108 communities

Four ways we're making a difference in Chile

Hunger relief

Walmart Chile is a strategic member and founder of Corporación Red de Alimentos, a nonprofit organization that distributes food to more than 52,000 people, including low-income families, children, pensioners and the homeless, through 124 NGOs. In 2013, we contributed CLP\$120 million toward the operation of the food bank and donated 78,342 kilograms of food, equivalent to more than CLP\$110 million.

Quality of life

In 2013, we launched El Kilómetro de Mi Supermercado, a program designed to improve quality of life in the communities where our stores are located. This program is headlined by our CLP\$100 million commitment to help finance local community initiatives. In 2013, we directly impacted 120,000 people through 114 different community projects.

Poverty assistance

Aligned with our commitment to Chilean development, we donated CLP\$60 million to Hogar de Cristo, an NGO committed to helping homeless, elderly, teenagers and children overcome poverty. For the past 17 years, we've also invited our customers to make charitable contributions to Hogar de Cristo and Refugio de Cristo at our Lider and Express de Lider supermarket checkouts. In 2013, more than CLP\$482 million was raised, providing the equivalent of 2.85 million breakfasts to help people in need.

Women's Economic Empowerment

Aligning with Walmart's global goal of doubling sourcing from women-owned businesses, we provided scholarships to 75 people from 29 current or potential women-owned supplier companies. The scholarships provided access to Compite + 1000 Walmart Chile, a prestigious business education program created in collaboration with Universidad Adolfo Ibáñez.



78,342 kg
food donated in 2013

Environment – Chile



Recycling stations

With Coca-Cola, Nestlé, Unilever and PepsiCo, we've installed modern recycling stations, capable of handling 1,200 tons of waste, in five supermarkets. Recycling stations offer customers the ability to recycle more than 20 different materials. Those new stations provide strategic information about the captured material, helping Walmart Chile and the other participants improve the sustainability of our products. The program launched in November 2013 and collected 16.6 tons of waste by the end of December 2013.

**Recycling stations handle
1,200 tons
of waste in five stores**

Plastic bags

Half the plastic bags in our Lider stores are made of 75 percent recycled materials, which help prevent the disposal of about 1,500 tons of plastic to landfills annually. In an effort to increase that percentage even further, we've started collecting plastic bags from our customers in every Lider and Express de Lider store. We provide this material to our manufacturer to produce new bags.

**Recycled-material bags divert
1,500 tons
of plastic from landfills each year**

Better products

We were the first company in Chile to create incentives for suppliers to develop more sustainable products. In collaboration with Fundación Chile, we offer free sustainability guidance to suppliers of our private-label products, while connecting them with the public funds necessary to turn the improvements into reality. In 2013, 12 private-label and sustainable agriculture suppliers participated in this three-year program.

**12 suppliers
participated in sustainability
guidance program**

China



At a glance

Formats: 4

Banners: Sam's Club, Smart Choice, Trust-Mart, Walmart and Walmart Neighborhood Market

Stores: 405

2013 average exchange rate: 1 USD = 615 Chinese Renminbi (RMB)

Workplace – China



The sixth Walmart China Women In Leadership Forum.

Women in Leadership

In alignment with the company's Global Women's Economic Empowerment strategy, Walmart China has offered a thriving Women in Leadership program since 2007. As of October 2013, 46 percent of the leadership positions (director or higher) at the Walmart China Home Office were occupied by women.

The following provides a sampling of our Women in Leadership development initiatives:

- **Women Mentoring Circle:** This is a one-year program designed to connect aspiring female leaders with successful company directors to provide advice and learn from their experiences. Since 2010, 22 senior directors have mentored more than 120 female associates.
- **Women in Leadership Workshop:** This platform offers access to a variety of external leaders who share insights on the topics of work-life balance, decision making, children's education and more. More than 5,200 female associates have taken advantage of this opportunity over the past six years.
- **Women in Retail Field Development Program:** In an effort to further diversify our female leadership pipeline at the store level, we launched this new program at our annual Year Beginning Meeting in March 2013.

Training opportunities

Adding to its successful on-boarding and culture training offerings, Walmart China launched leadership and technical training programs for associates nationwide in 2013. More than 2,000 associates at our home office logged nearly 88,000 training hours as part of 18 multiple-session courses. Statistics for field trainings were being compiled when this report was released.

Social – China



Women's Development Fund

In collaboration with the China Women's Development Foundation, we continue to provide Chinese women in need with financial support to help start their own business ventures or become employed. It began in 2010 with our pledge of RMB1 million to launch the Women's Development Fund. So far, Walmart China has donated more than RMB5 million in continued support of the cause. To date, Walmart's Women's Development Fund has helped about 1,700 families make their business dreams come true.



1,700 families have launched businesses with support from the Walmart's Women's Development Fund.

Disaster relief

In 2013, we contributed nearly US\$400,000 in cash and in-kind donations to support disaster relief efforts across the country. Significant efforts included US\$330,000 to Ya'an earthquake relief, US\$24,000 following the Dingxi Earthquake in Gansu and US\$32,250 to flood relief in Heilongjiang. Immediately following the devastating Ya'an earthquake on April 20, 2013, Walmart China allocated approximately US\$330,000 in cash and in-kind donations to support relief efforts through the China Foundation for Poverty Alleviation. In addition, Walmart China is helping support the construction of two local community activity centers in the earthquake-stricken area. A groundbreaking ceremony was held Dec. 27, with construction targeted for completion in August 2014.

Retail training

On Dec. 3, 2013, the pilot for the Walmart Retail Talent Vocational Training Course held its first commencement ceremony at the China Youth Development Foundation's BN Vocational School. We plan to extend the course to all BN Vocational Schools across nine cities for the 2014-15 school year, benefiting an anticipated 900 students. The program is made possible, in part, from a RMB3 million donation by Walmart China to support retail education. Retail training courses are developed by Walmart and the International Youth Foundation to specifically address unique characteristics and challenges in our market.

Food safety

As part of our ongoing commitment to ensuring food safety across our operations, we recently announced our plans to invest RMB100 million over the next three years. This is in addition to the introduction of our mobile lab in Guangdong province in 2012. To date, the mobile lab, which we utilize to help ensure the food we sell is safe, has conducted 50,000 food tests across the area.



Environment – China



Canvas belts: One way to make a difference

In 2011, associates at our distribution centers developed a recyclable canvas belt to replace the disposable plastic stretch film and adhesive tapes we'd historically used to secure pallets. This new tool is being used at seven Walmart China distribution centers, enabling us to avoid using approximately 750 tons of plastic wrap in 2013.



Energy efficiency

Over the past two years, we've invested more than RMB100 million in LED technology in our facilities. This will save an estimated RMB33 million annually, while avoiding 33,000 tons of CO2 emissions.

We recently retrofitted refrigerators at 250 of our stores with glass doors, reducing energy consumption by nearly 30 percent and improving the appearance of our products. In our new stores, we've introduced next-generation refrigerators with glass doors. This saves an estimated RMB30 million, while avoiding 30,000 tons of CO2 emissions.

Transport efficiency

In an effort to deliver more with less, we utilized our large container program to move more than 3.1 million trailer containers of merchandise from January to October 2013. In doing so, we drove 6.6 million fewer kilometers, reduced transportation costs by RMB46 million, cut fuel consumption by 2.3 million liters and avoided 6,200 tons of CO2 emissions.

We've initiated a co-loading program, which calls for the packing and transport of orders for multiple stores via one truck. From January to October 2013, this program helped us drive nearly 750,000 fewer kilometers, reduce transportation cost by RMB5 million, cut fuel consumption by 3 million liters and avoid 4,600 tons of CO2 emissions.

India



At a glance

Formats: 1

Banners: BestPrice Modern Wholesale

Stores: 20

Learn more: www.wal-martindia.in

2013 average exchange rate: 1 USD = 58.58 Indian Rupee (INR)

Workplace – India

Diversity and inclusion

We continue to accelerate our diversity efforts and foster an inclusive culture.

The following are examples from 2013:

- **Women in Leadership Council**

Our Women in Leadership Council organized seven Leader Speak and Leader Interaction sessions at the Walmart India Home Office. These sessions provided a platform for Walmart India associates to interact with senior leaders and learn from their rich experiences on topics such as leadership, personal branding and negotiation.

Participation: 90 associates



In addition, we organized Leader Interaction sessions at our stores, specifically for women associates on the topics of store profitability and how to play an important role in society and in business.

Participation: 40 associates

- **Women Hi-Po Talent Management**

These self-paced learning plans focus on delivering experience, exposure and education to high-potential associates.

Participation: 20 associates

73 percent of associates feel meaningful action was taken since the last engagement survey was conducted.

Associate engagement survey

Our annual Associate Engagement Survey measures the level of engagement at stores and home office, based on our key pillars of Career Opportunity, Leadership, Work Environment, Support and Development, and Team. After discussing the survey findings with associates at grassroots sessions, we develop action plans to improve in our most challenging areas. In 2013, these actionables included:

- **Career development:** For stores, we took steps to ensure Associate Opportunity Maps were designed and understood by everyone. In addition, a 12-month development center was created as part of our Women in Leadership Program.
- **Feedback and performance:** In an effort to further engrain the Five WOW (Ways of Working) practices, we've offered one-on-one meetings with managers, skip level meetings, pulse meetings, associate engagement activities and celebrations. These steps have been instrumental in establishing stronger connections between associates, as well as leadership among associates.

Internal communication

We promote strong associate engagement through a variety of communications efforts. All of these are designed to keep associates informed about the business and connected with the culture of the organization.

- **Regular Saturday Morning Meetings/ Friday Morning Meetings**
- **Culture Huddles**
- **Formula Fun:** A monthlong program through which associates showcase their talents and participate in sport activities and brain teasers.
- **Festival celebrations:** Republic Day, Holi, Diwali, Eid, Christmas
- **Culture Heroes:** Telling associate stories that inspire others to follow Walmart's basic values.
- **Long-Service Awards:** Recognition of associates with five or more years of service.
- **Year Beginning Meeting/Annual Shareholders' Meeting**

Social – India



Direct Farm

Our Direct Farm program, launched in 2008, includes 14,000 small and medium-sized farmers and farm workers (5,200 women) in Punjab, Uttar Pradesh, Delhi NCR, Haryana, Karnataka, Maharashtra, Himachal Pradesh, Andhra Pradesh and Rajasthan. In 2013, 5,500 small and marginal fruit and vegetable farmers were trained. Direct Farm provides small farmers with a direct link to the retail supply chain and shared best practices related to water usage, pesticides and fertilizers build capacity. This generates high-quality, locally grown produce for our stores as well as other retailers, while the farmers reap the benefits of competitive prices, reduced risk and increased income.

Women's Economic Empowerment

In alignment with our corporate Global Women's Economic Empowerment initiative, we're working to provide the skill development programs, professional services, training in farms and factories and more that's necessary to promote opportunity. As an example, we successfully on-boarded four new women-owned businesses in 2013. These businesses supply a variety of products, including home decor, school stationary and Indian festival merchandise, such as Holi colours and Diwali candles.

These suppliers go through a structured on-boarding program. They're exposed to our specific processes, quality standards, pricing, policies, packaging, compliance and more. In order to help suppliers in becoming an integral part of our business, we provide frequent buyer/vendor interaction and engage them in annual meetings and other communications. We also track their business performance and provide necessary support for product reengineering.

Trash to cash

Society for Child Development's (SFCD) growth started with the company sourcing organic and herbal colors for all its Best Price Modern Wholesale stores to cater to the annual festival of colors of Holi. This undertaking expanded to sourcing bulk Diwali (Indian festival of lights) merchandise.

SFCD supplied Holi colors made from fresh flowers previously displayed in temples. These flowers are collected every morning from the temples, sorted and then turned into eco-friendly colors. In fact, the Department of Environment, Delhi Government, has extended its full support to the initiative by providing vans for collection of waste flowers.

**5,500
farmers
trained in 2013**



Training Centres: One way to make a difference

Our Training Centres across the country provide free retail training to underprivileged youth. In 2013, we trained more than 13,684 students, of whom we placed 5,266 in jobs. Approximately 4,625 of those trained in 2013 were women, of whom we placed more than 1,450 in jobs.



Environment – India



LED lighting

Walmart India recently installed LED lighting for the sales floors of its Best Price Modern Wholesale stores in Amritsar and Zirakpur. The LED lighting will reduce related energy expenditures by an estimated 12 percent and the life expectancy of the bulbs is three times longer. Payback on the installation is expected to be around three years.

Japan



At a glance

Formats: 4

Banners: Livin, Seiyu, Sunny and Wakana

Stores: 438

Learn more: www.seiyu.co.jp
www.seiyu.co/company/sustainability

2013 average exchange rate: 1 USD = 97.61 Japanese Yen (JPY)

Workplace – Japan



Careers for women

Approximately 70 percent of Walmart Japan associates are female, which is in line with our female customer base. With that in mind, we have a number of programs to encourage female associates to pursue career development opportunities. We've facilitated sessions with female leaders on leading issues, promoted open discussion at the store level regarding diversity and inclusion and more. By 2015, we project 10 percent of our store managers will be female, a 100 percent increase over 2011.

Part-time to management

Across Japan, it's generally difficult for part-time workers to grow their professional careers. Walmart Japan, however, offers opportunities of career development for all associates who are innovative, enthusiastic and committed to better serving our customers. In fact, since 2006, 320 associates who began part-time have been promoted into management positions. In 2013, 71 associates, 37 of them women, were promoted to assistant manager.

Associate volunteerism

Walmart Japan supports associate volunteerism by providing approved time off and offering volunteer opportunities for events organized by the company. Associates and their families actively volunteer at local soup kitchens, riverside/seaside cleanups, welfare facilities and more.



Walmart Japan associates in 2013

Approximately
70%
women

71
promoted to
assistant manager

37
women promoted
to assistant manager

Social – Japan



Women's Economic Empowerment

In support of Walmart's global Women's Economic Empowerment goal to double sourcing from women-owned businesses by 2016, Walmart Japan recently launched a campaign to solicit merchandising proposals with particular focus on household and childcare-related products from companies that promote women's empowerment. A panel of 16 female and five male Walmart Japan associates with children of their own joined the selection process and gave advice to determine finalists. In 2014, selected products will be sold at Seiyu.com, creating market access and the opportunity to grow their businesses.



Youth empowerment

The number of young people across Japan who are not actively pursuing education, training and employment opportunities is on the rise. In an effort to promote their social inclusion and economic empowerment, Walmart Japan has started to collaborate with NPO Sodateage Net by providing grants for youth from low-income households to take tailored job-training programs offered by Sodateage Net. The program will include short-term, job-related experience at our Seiyu stores.

Support for parents

Since 2012, Walmart Japan has contributed grants and store fundraising to J'espere, a nonprofit organization that supports postpartum mothers. Our contributions are specifically earmarked to assist postpartum mothers and their babies in the coastal areas of Tohoku, where people are still recovering from a significant earthquake in 2011. In October 2013, an exhibition of photos was on display at the MALL Sendai Nagamachi store to commemorate the first anniversary of the project, while informing customers and associates.

- 5,005 mothers have participated in 357 consultative sessions by professional midwives in 2013.
- 192 mothers received home visits for medical or mental purposes in 2013.

Since 2011, Walmart Japan has provided grants and store fundraising to Florence, a nonprofit organization that supports working mothers by offering sick-child care services. In 2013, our grant was used to expand Florence's sick-child care services to two additional municipalities. Also, since 2011, store fundraising and a portion of our corporate grant have helped provide more than 70 low-income single parents with low-cost childcare services when their children have become ill.

Environment – Japan



74,341
items donated from stores

Food waste reduction

Aligned with Walmart's global initiative to reduce food waste, Walmart Japan orders and stocks the amount of products it estimates it needs and performs timely freshness checks to guarantee freshness and reduce throwaway. In addition, we've worked with Second Harvest Japan, the oldest food bank NGO in the country, since 2009 to donate food from our stores to local welfare facilities. In 2013, we expanded participation to 52 stores in the Kanto area and plan to expand to 150 by 2016. Last year, we donated 74,341 items. By utilizing backhaul, we've begun collecting food from our stores and transporting it to our distribution centers, making it easier and faster for the NGO to receive the donations and deliver them to local welfare facilities.

by 11 percent year-on-year and managed to keep our total electricity cost lower than the year before, despite significant increases in unit electricity costs nationwide.

- By defrosting fish at room temperature, utilizing a low-flow showerhead and other improvements at our stores, we reduced water consumption by approximately 10 percent in 2013 compared to 2012.



Energy and water

Reducing energy and water usage are top priorities across Walmart Japan, and we continue to test and implement new solutions:

- In order to reduce electricity usage in our entire operation, Walmart Japan has introduced LED lights and EMS to all stores, and invested in refrigeration and air conditioning systems. Along with these improvements, we installed ceramic tile flooring at 66 of our stores, which is designed to reflect light in a way that makes our sales floors brighter by an estimated 20 percent. In 2014, we are going to install this ceramic tile flooring in an additional 37 stores. With these efforts, in 2013, we reduced our electricity consumption

Improved packaging

We continue to build upon the success of the non-tray packs of chicken we introduced in 2009. This improvement has saved a great amount of trays and wraps and is viewed as a pioneering initiative in the supermarket industry in Japan. By expanding this to other meats and seafood, and introducing a corn-based bio-plastic packaging for 37 percent of our produce products that are packaged in plastic containers, we've reduced the total weight of trays across Walmart Japan by 25.5 percent over our 2007 baseline.



Direct farming: One way to make a difference

Walmart Japan has had a hand in the direct sourcing of produce for four decades and built long-term relationships with farmers. In 2013, our direct-sourced produce accounted for 36 percent of total produce sales across Walmart Japan, and we continue to increase the volume of products we source directly from local farmers.

Mexico



At a glance

Formats: 7

Banners: Bodega Aurrera, Bodega Aurrera Express, Farmacia Walmart, Medimart Farmacia, Mi Bodega Aurrera, Sam's Club, Suburbia, Superama and Walmart

Stores: 2,199

Learn more: www.walmartmexicocam.com
<http://xdesign.com.mx/walmart/inico/en>

2013 average exchange rate: 1 USD = 12.76 Mexican Peso (MXN)

Workplace – Mexico



Talent development

We're committed to providing our associates with a wide range of talent development opportunities. In 2013, we invested \$93.2 million pesos into a combined 2.61 million hours of training. Our talent development program focuses on the following:

- Training designed for field and staff associates in the areas of leadership, teamwork, negotiation and technical competencies.
- Scholarship programs to assist associates in earning bachelor degrees.
- Coaching, mentoring and exposure programs to drive the development of associates.
- Merchandising academies to reinforce our vision and competencies, while establishing stronger relations within teams of buyers.
- Compensation and performance evaluation system.

Gender Equality Council

We maintain a Gender Equality Council, comprised of vice presidents and directors from across Walmart Mexico, which focuses on three specific areas:

- Inclusion for people with disabilities.
- Specific development opportunities, such as Taking the Stage, a program women in executive positions conducted for female associates in 2013. Another example includes Women in Retail, a three-year course that trains female store associates to become managers.
- Policies and procedures that govern and ensure a culture of equality.

Our Gender Equality Model has been evaluated since 2009 by INMUJERES, the National Women's Institute. In 2013, certification was awarded once again.

31%
of management positions
were filled by women

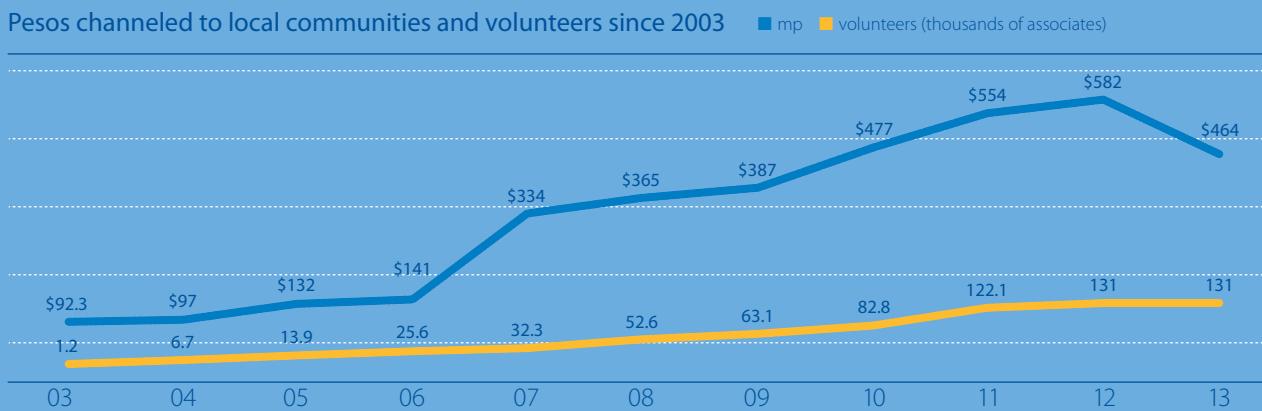
Promoted more than
22,700
associates in 2013

Work-life balance

- In an effort to deliver the level of work-life balance our associates desire, we recently implemented Habitat, a program designed to drive productivity by promoting collaboration between associates working at our home offices, from home and other remote locations.
- In 2013, 4,718 associates utilized our Flex Friday program, which allows them to work more hours Monday through Thursday in exchange for Fridays off.
- We offer postnatal leave for mothers and fathers. Mothers have the opportunity to progressively return to their full-time schedule over the seven months following the birth of their child, while fathers are offered flex-time arrangements for the first month following the birth of their child.

212,541
associates in Walmart Mexico

Social – Mexico



Community support program

Our community support program leverages our stores, clubs and distribution centers, and the strengths of our business, to improve the quality of life for families across Mexico.

The following is a sampling of our involvement through the community support program:



• Small farmers/handicrafts

One of the most important strategies for increasing the income and standard of living for communities coping with poverty is to elevate the skills, production capacity and market access of small farmers and craftsmen. In 2013, 3,837 small farmers and handicraft manufacturers from 13 states accounted for 9 million pesos in sales for Walmart Mexico.

We donated more than 12,000 tons of food to 194 food banks and institutions, supporting nutrition and benefiting more than 35,500 people.

• Associate volunteerism

We continue to encourage and empower our associates to become active volunteers, positively impacting the issues that matter most in the communities where they live and work. From assistance during natural disasters, reforestation and maintenance activities for schools to community cleanup efforts, 131,055 of our associates participated in volunteer activities across Mexico in 2013.

• Disaster relief

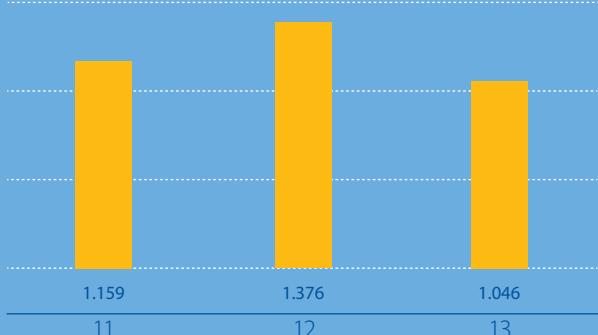
Following hurricanes Ingrid and Manuel, we set up 887 collection centers in our stores. Through our Kilo by Kilo campaign, the Walmart Mexico Foundation matched the 944 tons of food items donated by our customers, channeling a combined 1,888 tons to the Mexican Red Cross. We supported associates affected by the hurricanes, others worked as volunteers with the Red Cross, and we tapped our logistics network to ensure timely relief.

• Empowering women

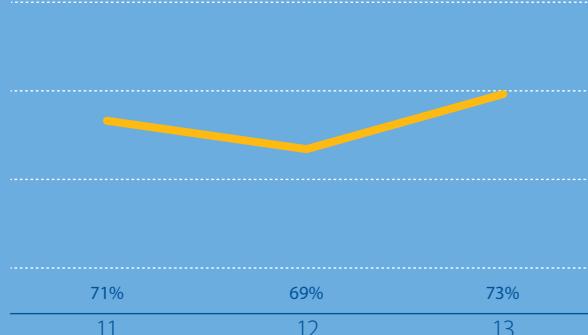
The Women Can Count on Us program was created to finance training courses to enable women to start new businesses or improve an existing one, as well as offer scholarships to women who want to complete their high school education or attend a technological university. During the second year of this program, 25,456 women participated.

Environment – Mexico

Mexico water use per area unit (m^3/m^2)



Recycling rate



Transportation: One way to make a difference

Since joining the Clean Transportation Program in Mexico in 2011, we've reduced CO₂ emissions by 11,284 tons, the equivalent of taking 2,000 vehicles off the road. The company has also saved 4.1 million liters of diesel, a savings equal to 50 million pesos. Trips have been reduced by 7.4 million kilometers, the equivalent of 580 trips around the world.

More than 106 million gallons of water saved by water-efficient equipment in stores.

Wastewater treatment

In all areas related to human consumption, such as meal preparation, we provide quality water through the use of filtration equipment. In addition, we increased our number of on-site water treatment plants to 642 in 2013. We used those plants to treat more than 7 million cubic meters of wastewater, 28 percent of which we reused in WCs and for irrigation purposes.



Renewable energy

In 2013, a new wind energy plant began operations in Tehuantepec, Mexico, with the capacity to generate 85 megawatt hours (MWh) and feed 886 of our stores, clubs and distribution centers. Together with the Oaxaca I Lamatalaventosa Wind Farm, in operation since 2010, we're generating 320 MWh of renewable energy for 1,233 of

our operating units. In addition, we continue to take steps forward with the installation of LED lighting and doors on refrigeration cases, the use of capacitor banks, internal energy-efficiency campaigns and the monitoring of energy control systems.

Waste

In 2013, we recycled or transformed more than 228,000 tons of waste. Through a variety of initiatives, we've reduced food waste associated with our operations by 25 percent, compared to our 2011 baseline. One such initiative was a composting that helped achieve an 80 percent diversion rate at 68 stores and 32 restaurants in three states near Mexico City. These achievements, together with the donation of more than 12,000 tons to food banks, makes better use of our resources. Meanwhile, we continue to find opportunities to capture edible fat and oils for reuse in the making of soap, candles, and pet and cattle feed.

Biodiversity

- Wood products, such as pallets, come from authorized sources local and abroad.
- Pulp products use post-consumption recycled fiber.
- Printer paper used for internal purposes is certified by the Forest Stewardship Council.
- Certified palm oil policy in place for private-label products.
- Imported aquaculture products we sell are Best Aquaculture Practices certified.

United Kingdom



At a glance

Formats: 4

Banners: Asda, Asda Living, Asda Supercentre and Asda Supermarket

Stores: 576

Learn more: your.asda.com

your.asda.com/sustainability

2013 average exchange rate: 1 USD = 0.64 British Pound (GBP)

Workplace – United Kingdom



LGBT

Since October 2012, we've offered a thriving lesbian, gay, bisexual and transgender (LGBT) network. In 2013, we celebrated Summer of Pride, during which 1,000 colleagues attended 25 pride events in England, Scotland, Wales and Northern Ireland. In addition, we co-founded an inter-retail LGBT Network group with Co-Op and other key retailers, and were recently nominated for Personnel Today's Award for Diversity and Inclusion.

Apprenticeships

As part of our ongoing commitment to offer training and development opportunities to our colleagues, we support Retail Apprenticeships, a nationally recognized qualification delivered via Babcock International Group. By the end of 2013, 3,112 colleagues had completed apprenticeships, and another 3,111 are on track to complete the program by fall 2014.

Women of the Future

Asda colleague Helen Milford, people director of Retail and Logistics Services, was named Mentor of the Year at the 2013 Women of the Future Awards ceremony. In 2012, two Asda colleagues were recognized as Women of the Future.

Diversity and Inclusion Training

The launch of our Diversity and Inclusion Training program was a significant highlight in 2013. Focused on raising awareness of unconscious bias and the effect it can have on decision making, the program is intended to reinforce the introduction of our new colleague pledges: fairness, opportunity, respect and pride. The session was delivered for our Executive Board and directors in March 2013, followed by 600 managers, including our senior regional teams, senior managers at our home offices and all human resources colleagues involved in the recruitment and talent planning process. Key messages were also cascaded to more than 12,000 managers through a Leadership and Development Training Week.



Disability: One way to make a difference

The Asda Home Office held an education and awareness event to coincide with International Day of People with Disability. Sponsored by Barry Williams, chief merchandising officer for Food, our Disability Working Group set out to educate and drive awareness of disability and mental health. More than 150 senior leaders attended, providing the perfect foundation for a continuation of this work in 2014.

Social – United Kingdom



Asda Community Life

In each store, depot and home shopping center, we have a Community Life Champion. These colleagues are tasked with supporting local charities, community groups and causes in the communities our stores serve. In 2013, this program raised more than £11.6 million to support local organizations and causes. In addition, in 2013, Asda colleagues spent more than 153,000 hours volunteering in their local communities, and our stores, depots and home shopping centers were used as Community Centers more than 42,000 times.

Food poverty

In 2013, we collaborated with FareShare, the U.K. charity committed to fighting hunger, to send surplus stock from our distribution centers to its depots. We contributed the equivalent of more than 630,000 meals, which were distributed to more than 1,000 charities that specialize in providing shelter for the homeless, refuge to victims of domestic violence and more. This has significantly reduced the organization's operating costs.

Tickled Pink

Tickled Pink, a program we created 17 years ago to support Breast Cancer Campaign and Breast Cancer Care, continues to help people in need. We raised a record £5 million in 2013, pushing our grand total to more than £38 million over 17 years.

Community projects

The Asda Foundation is committed to "transforming communities, improving lives" to create stronger, more sustainable communities, identifying charitable needs and engaging others to deliver practical long-term solutions. In 2013, the Asda Foundation contributed £1million in support of more than 10,000 local charities and good causes, tackling women's economic empowerment, health and sustainability.

Youth unemployment is a huge social issue in the U.K. with 40 percent in London out of work or education. To provide them with support in 2013, the Asda Foundation, in collaboration with Active Communities Network, launched a three-year program to target living in areas of high social deprivation by providing sporting opportunities (Sports Youth Work Programme), development as community champions (Active Citizenship), improving employability (Personal Development & Qualification) and facilitating work placements and apprenticeships (Work Placements, Apprenticeships & Employment). Over the course of the program, we aim to support 4,500 young people, ages 14 to 21.

Working with smallholders

We're the first British retailer to stock sweet yellow passion fruit. Asda's sourcing arm, IPL, has been working directly with individuals and groups in Kenya to scale up the

production of sweet yellow passion fruit. To accomplish this, we're working directly with a group of Kenyan smallholder farmers we've had a relationship with for more than a year. In addition to increasing the number of vines, smallholders are being trained in good agricultural practice and food safety techniques. They're supported by the U.K. Department for International Development (DFID) in a project that helps them become long-term, sustainable suppliers through the creation of jobs, increased income opportunities and more.

Asda/ABP BeefLink Cattleman's Academy

This third-year program aims to help address the shortage of young British beef farmers entering the industry. It runs in conjunction with Askham Bryan Agricultural College and Asda's sole supplier of British beef, ABP. So far, 10 young farmers, ages 18 to 22, have been extended the opportunity to spend time on several different farms, to gain insight into the variety of systems and management techniques that exist in the U.K. beef industry.

Environment – United Kingdom



Our Progress

- Since 2007, we've reduced our carbon footprint by 15.8 percent.
- In 2013, we invested £17 million in energy reduction projects, including LED lighting, double-deck trailers, associate engagement, refrigerant-related technology and more.
- Since 2005, we've reduced energy use in our existing stores by 33 percent and in new stores by 45 percent.
- We successfully divert 97.5 percent of our operational waste from landfills.
- Today, from depots to stores, our goods travel 29 million fewer road miles than they did in 2005, which cuts carbon and reduces costs.

Asda Sustain and Save Exchange

Recognizing that an estimated 90 percent of our environmental impact exists within our supply chain, we offer Asda Sustain and Save Exchange – an online supplier tool to help our fresh, chilled and frozen suppliers align with our long-term strategy for a sustainable supply chain. This free tool provides valuable information and ideas, while enabling suppliers to share best practices related to resource efficiency. In 2013, the tool helped deliver more than £3.5 million in supplier benefits, making it one of the most effective resource efficiency programs in U.K. retail.



Improved packaging

Whether it's replacing glass bottles with recycled plastic, using lightweight film tops instead of plastic fruit punnets, or designing a new carton for our tea bags to eliminate the extra plastic wrappers, we're focused on reducing and improving product packaging. Last year, we developed a lighter version of our private-label Eden Falls water bottles. In October 2013, we introduced lightweight 500 milliliter and 2-liter water bottles, which are 6 percent and 13 percent lighter, respectively. We're working on an even bigger reduction for our 5-liter bottles, which will be 23 percent lighter and rolled out in our stores in February 2014. Based on 2012 sales, we calculate we will save more than 130 tonnes of PET and more than £174,000, as less PET is needed to create the bottles. We plan to apply the same concept to Highland Springs, which will lead to an estimated additional £13,000 in savings annually.

Supply Resiliency Program

At the start of our sustainability program in 2005, Asda focused attention on mitigating our environmental impact. In 2011, we shifted this focus to adapting our business for a changing climate. A study conducted across our global produce supply chain in 2012 demonstrated that the timescales were shorter than expected and we were already dealing with a changing climate. In 2013, we extended our innovative project into mapping our entire U.K. operations, as well as all our food categories. This represents the most advanced study of its kind in U.K. retail.

Everyday Experts

In 2011, we created the largest sustainability insight panel in Europe of more than 6,500 customers. We've been using their insight to help shape our actions and policies ever since. In 2013, we added a full-time sustainability insight manager – the first such position in U.K. retail – to work with Asda and the University of Leeds on this initiative. In December 2013, the panel was increased to more than 20,000 customers, the largest permanent sustainability panel yet. We believe this will help us develop greener products and shape our marketing efforts.

Low-carbon depots

The opening of our new Rochdale depot in 2013 marked a significant step forward in reducing our overall environmental impact. The facility includes a variety of low-carbon technology, including a combined heat and power plant, rainwater harvesting system, solar panels and high-efficiency refrigeration. The depot is an estimated 28 percent more energy efficient, reducing carbon emissions by 26 percent and water consumption by 30 percent.

Walmart U.S.



At a glance

Formats: 6

Banners: Amigo, Neighborhood Market by Walmart, Supermercado de Walmart, Walmart, Walmart Express, Walmart on Campus and Walmart to Go

Stores: 4,203

Learn more: www.corporate.walmart.com

www.corporate.walmart.com/global-responsibility-report

Workplace – Walmart U.S.

Creating opportunity

Walmart is a people-driven success story, and we're proud of the opportunity we offer our associates. For some, opportunity looks like part-time work to build their finances. For others, it's a chance to gain new skills or to begin a long-term career. We provide pathways to opportunity through access, growth, choice and impact.

Access

Good retail jobs

Retail is often an entry-level job for many – and we're proud that we provide access to hope and opportunity. Walmart U.S. offers competitive wages and benefits that fall within the top half of the retail industry. We offer our eligible hourly store associates quarterly cash bonus opportunities, a health care plan that starts at \$17 per pay period, a 401(k) with a company match, a discount on merchandise, training and development opportunities, and, most of all, a chance to move up the ranks and build a career. In FY2014, Walmart U.S. hired more than 500,000 new associates into good retail jobs in their communities.

Entry-level jobs often lead to bigger jobs. At Walmart U.S., associates have the potential to climb the ladder from stocker to department manager to store manager and beyond. Depending on the time of year, there are between 15,000 to 50,000 job postings. In fact, in FY2014, we promoted about 170,000 people to jobs with more responsibility and higher pay. About 75 percent of our store management teams started as hourly associates and their average pay ranges from \$50,000 to \$170,000 annually. Our highest-earning store manager in FY2014 made more than \$250,000. We have more points of entry for people than any other organization for those who want to serve our customers.

Commitment to veterans

On Memorial Day 2013, we launched the Welcome Home Commitment. As the unemployment rate for recent veterans continues to hover around 10 percent, we don't believe veterans should have to fight for

jobs at home after fighting for their country abroad. So we're committed to offering transitioning veterans a true welcome home through possibility and opportunity. We projected that we'd hire more than 100,000 eligible honorably discharged veterans over five years, many within their first 12 months off active duty. We're already well on our way. In the first eight months since our announcement, we hired 32,000 veterans into our stores, clubs and distribution centers. This commitment continues to bolster our position as the largest private employer of veterans in the country. In addition, we're joining forces with the White House and retailers across the nation to build upon this commitment to train and employ America's returning heroes.

Diversity and inclusion

We continue to broaden and accelerate our commitment to diversity and inclusion through a focus on building a diverse workforce, nurturing an inclusive culture and empowering our associates to make a difference in the lives of our customers. We're proud of our commitment to associate development and community outreach, as more than 50,000 field managers actively sponsor associates in their business areas and participate in diversity events in their stores and communities. Walmart U.S. remains committed to increasing the representation of women and people of color throughout our organization. In FY2014, we increased representation of women and people of color across all store management roles (store manager, shift manager, assistant manager). In FY2014, we drove the greatest year-over-year female and people of color store manager headcount increase in five years.

We leveraged our development programs to create a diverse pipeline and accelerate readiness of our associate talent. In fact, women and minorities represented more than half the high-potential participants in our FY2014 Leadership Academy, which serves as our premier accelerated management program. Walmart U.S. also creates intentional sponsorship and exposure opportunities for diverse talent through programs, such as Champions in Development and Develop 2 Lead. In FY2014, more than 72,000 female and people of color associates were sponsored through these programs. To continue to drive a diverse workforce, we're focused on intentional recruiting efforts. In FY2014, we accelerated our efforts, almost doubling the female and people of color external store management hires year-over-year.

Our commitment to diversity and inclusion starts at the top, through the engagement of our senior leaders. More than half of Walmart U.S. business unit presidents, divisional senior vice presidents and regional vice presidents are women and/or people of color. Our senior leadership sets the tone by integrating diversity and inclusion into business strategy as the foundation for our commitment to customer service and associate development. In FY2014, our leaders drove the highest engagement and inclusion survey scores in our history.

Talent and development – Walmart U.S.

Growth



Talent and development

Our people truly do make the difference, which has significant impact on the customer experience. In FY2014, our development focus was specific to on-boarding and creating Walmart Ready leaders. We also continue to invest in on-the-job skills training, talent development and career advancement opportunities for our associates at all levels.

Walmart U.S. associates have unparalleled access to training, experiences and educational opportunities to empower growth and advancement. Whether associates join Walmart to find flexible work, part-time work or a long-term career, we offer opportunities to meet their specific needs. The Walmart U.S. Talent Development team on-boards more than 500,000 new associates each year, helping them learn how to prosper in the Walmart culture and how to be the best in their specific role. In FY2014, more than 79 million learning activities were launched through our Global Learning Management System (GLMS). These training and development programs enabled more than 170,000 associate promotions.

Lifelong Learning

Our Lifelong Learning program is a collaboration with American Public University (APU) that makes continuing college education more affordable and accessible for all associates. Additionally, the Walmart Foundation awards scholarships to associates and their eligible dependents to pursue higher education at accredited colleges or universities, including American Public University. In 2013, more than 540 scholarships were awarded to associates, valued at more than \$1.6 million. And more than 490 scholarships were awarded to dependents, valued at more than \$6.4 million over their four years of college.

Since the Lifelong Learning Program launched in June 2010, it has attracted a broad range of associates. Participant demographics and achievements include:

- More than 5,500 associates across all 50 states have enrolled in the program and have taken more than 35,000 college courses.
- More than half of college participants are women, and approximately 30 percent are people of color.
- From program launch, APU has presented more than 250 degrees and college certificates to Walmart associates under the Lifelong Learning Program.

Talent and development – Walmart U.S.

Choice

Associate commitments

In FY2014, we made some changes for our associates to clarify and ensure full visibility and understanding of the opportunities we offer. As part of that effort, we ensured our eligible part-time and seasonal associates always have priority consideration for full-time job openings in their stores and nearby stores. We increased visibility of supervisory positions, broadening the scope outside the associate's store to opportunities across the U.S. Finally, we brought more transparency to our scheduling system, allowing associates to choose more hours for themselves through signing up for open shifts. In FY2014, more than 97,000 associates were able to transition from seasonal or part-time positions into full-time positions. These changes help ensure our associates have full access to the opportunities that they want.



Impact

Produce initiative

Our scope, scale and purpose allow associates to work together to make a difference for their customers and communities. In FY2014, business units across Walmart U.S. (Operations, Merchandising, People, Logistics and Marketing) collaborated to improve the customer's shopping experience and satisfaction in our produce department, while reinforcing our quality standards for associates. In 2013, more than 70,000 associates participated in e-learning, leadership broadcasts and produced workshops to reinforce store standards, supply chain efficiencies and associate knowledge. We improved our learning resources and delivery method – Electronic Product Knowledge Guides and Fresh Portal (interactive learning center) available to associates. This included equipping our associates with a "Would I Buy It?" guide, illustrating right and wrong quality standards for top-selling fruits and vegetables.

Measurable progress in 2013:

- Reduced inventory holding levels by one day in the supply chain, adding a day of freshness back to the customer.
- Improved accuracy in monthly store inventories, which elevated replenishment and quality.
- Completed secret shopper audits in produce departments with pass rates exceeding 97 percent.

By placing the customer's needs and expectations at the forefront, we were able to return higher standards of quality and a better experience for the customer while improving efficiencies within our own organization.

Merchant talent development

Walmart U.S. continues to expand our global merchandising talent pipeline through immersion programs, including: The Merchandise Leadership Program (MLP), Replenishment Leadership Program (RLP), Marketing at Retail Speed (MARS) and Transitioning Operators into Merchandising (TOTM). In FY2014, we will have graduated about 100 associates through these rotational experiences. In an effort to deliver even greater value to our customers, Walmart U.S. has developed targeted learning around the Joint Business Planning process to help strengthen our planning efforts with our suppliers. Capitalizing on our storytelling culture, Walmart U.S. also developed and launched the "Merchant Speaker Series," a leader-led forum teaching merchants a blend of both the art and the science of merchandising.

Social – Walmart U.S.

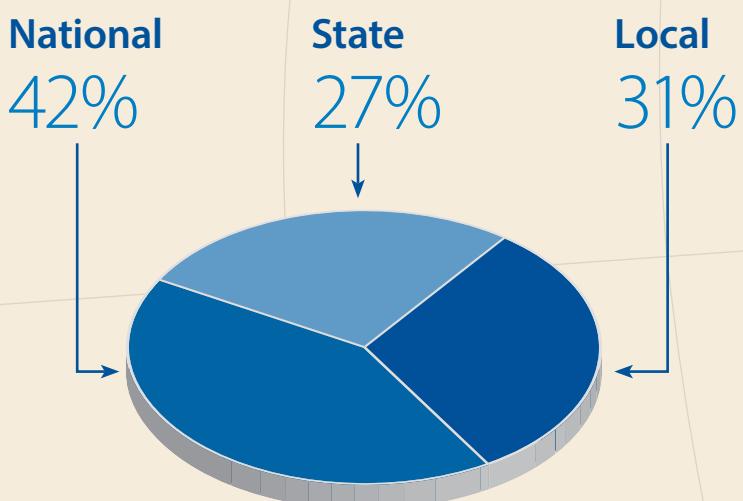
Engaging associates. Building stronger communities.

Saving people money so they can live better was the goal Sam Walton envisioned when opening the first Walmart store in the U.S. more than 50 years ago. Today, this is more important than ever to our customers and we work hard to deliver on this promise.

We have a philosophy of operating globally and giving back locally. In the U.S., our efforts focus on building stronger communities and engaging our associates at the local level:

- Walmart and the Walmart Foundation gave more than \$1 billion in cash and in-kind gifts in the U.S.
- Associates who volunteer for eligible nonprofit organizations can request donations for their service. In 2013, more than \$13 million was given by Walmart to organizations across the U.S., in recognition of more than 1.4 million volunteer hours by our associates.

In the U.S., we give at the national, state and local level. Here's how our combined corporate and Foundation giving breaks down:



Associates giving back

In the U.S., Walmart associates are highly engaged, and they know how to take care of their communities. They've been doing it since the company began. Many of our programs from the early days still exist. For example:

- Associates, along with matching dollars from the Walmart Foundation, gave more than \$22.7 million to 11 different charities through our annual workplace giving program.
- Associates and customers have supported Children's Miracle Network hospitals for more than 25 years. This support, which provides life-saving donations to more than 165 children's hospitals across the nation, exceeded \$45.7 million in 2013.



Walmart and the Walmart Foundation charitable contributions: One way to make a difference

- \$3.8 million directly from local facilities to grassroots organizations for local hunger programming such as food pantries and soup kitchens.
- \$4.4 million to local law enforcement and safety organizations, such as fire and police departments.
- \$11.1 million to local schools and school clubs or organizations.
- \$13.2 million to organizations that keep kids' minds and bodies active, like Boys & Girls Clubs, recreation centers and youth clubs.

Environment – Walmart U.S.



Solar parking canopies

We recently completed the installation of our first solar parking canopies at 10 stores in Arizona. These canopies will supply clean power to our stores and provide customers relief from the desert heat, all while saving on utility costs over the next decade. No capital investment was required, as the solar developer owns, operates and maintains the systems. Walmart simply purchases the power that's generated by the systems.

Gas-to-power agreement

In September 2013, we launched our first landfill gas-to-energy agreement. We've contracted with a 5-megawatt landfill-gas-to-energy facility, which captures the naturally generated methane from the landfill decomposition process and uses it to generate electricity. This contract is enough to supply all our electrical power needs for eight large Walmart Supercenters in Texas. The combustion of methane from landfills results in a reduction in greenhouse gases (GHG), as methane is 20 times more hazardous to the environment than the emitted carbon dioxide from the process.

All-LED store

On Oct. 16, 2013, we opened our first completely LED-lit retail store in the U.S. The store, located in South Euclid, Ohio, includes many other innovative features, such as a waste heat recovery system and electric vehicle charging stations for our customers. These features allow the store to operate on an estimated 34 percent less energy than a conventional store, and it earned LEED Silver certification from the U.S. Green Building Council. The annual savings from LED lighting in the grocery section of the store alone is enough to power five single-family homes for a year.

Waste reduction

Across our Walmart U.S. and Sam's Club operations, we're diverting more than 81 percent of our operational waste from landfills. While we continue to search for opportunities to attain our aspirational goal of producing zero waste, facilities like Store No. 2508 in Boise, Idaho, and Store No. 2040 in Fairfield, Calif., are going as far as to audit trash can contents at meetings to teach associates what can be recycled. The enthusiasm and dedication of our associates have enabled those two stores to attain an operational waste diversion rate of more than 85 percent. Their statistics for 2013 include:

Boise, Idaho (Store No. 2508)

- **Food donations:** 141,000 pounds, the equivalent of 117,000 meals
- **Cardboard recycled:** More than 852 tons
- **Recycled food waste to compost or animal feed:** More than 160 tons
- **Additional recyclables (plastic, paper, aluminum):** More than 33 tons

Fairfield, Calif. (Store No. 2040)

- **Food donations:** 189,000 pounds, the equivalent of 157,000 meals
- **Cardboard recycled:** More than 766 tons
- **Recycled food waste to compost or animal feed:** More than 128 tons
- **Additional recyclables (plastic, paper, aluminum):** More than 33 tons

Sam's Club U.S.



At a glance

Formats: 1

Banners: Sam's Club

Stores: 632

Learn more: www.corporate.walmart.com

www.samsclub.com

www.corporate.walmart.com/global-responsibility

Workplace – Sam's Club U.S.



Diversity by the numbers

At Sam's Club, we're committed to creating an inclusive environment for our more than 100,000 associates. Our goal is to ensure that each associate feels empowered to provide the best experience for our members and has knowledge of the numerous opportunities our company provides. We remain committed to diversifying our field management pool. For example, over the last 10 years:

- Women market manager representation doubled from 13 percent to 27 percent
- People of color market manager representation improved from 15 percent to 17 percent
- Women club manager representation doubled from 12 percent to 25 percent
- People of color club manager representation improved from 15 percent to 27 percent
- Women co-manager representation improved from 30 percent to 40 percent
- People of color co-manager representation improved from 28 percent to 40 percent
- People of color assistant manager representation improved from 26 percent to 35 percent

Recruitment

In 2013, we launched several initiatives to recruit and attract the best talent for our organization. As part of our strategy, we developed a relationship with the Divine Nine African-American fraternities and sororities as a way to attract top talent in a new way. In addition, we worked with Walmart U.S. to launch the Veteran's Welcome Home Commitment, which will result in the hiring of 100,000 associates at Walmart and Sam's Club over five years. In 2013, Sam's Club hired more than 1,800 veterans through this commitment.



Women's Leadership Development Series: **One way to make a difference**

We recently launched our Women's Leadership Development Series to focus specifically on building and retaining bench strength within the organization. Top managers and senior managers are connected with development and exposure opportunities aimed at preparing them for promotion.

Social – Sam's Club U.S.

Making a difference

Giving and community involvement go hand-in-hand at Sam's Club. From associate volunteerism to sponsorships, supplier cause marketing and fundraising, as well as strategic philanthropy, we work hard to make a positive impact in the communities we serve. We accomplish this by taking advantage of numerous company-wide, long-standing collaborations and encouraging support for programs to address local, unmet needs.

Associate volunteerism

- Veterans and their families continue to be a focus for Sam's Club. Associates across the U.S. rallied their support of organizations from the American Legion to local Veterans of War posts. Some of the Veterans of Foreign Wars chapters also support Sam's Club by attending events and presiding over color guard flag presentations.
- Markets 13 and 17 in Chicago each organized associates from more than a dozen clubs for a volunteer day at the Chicago Boys & Girls Club. At two event sites, associates coordinated activities such as jump rope, hurdles, basketball toss, painting and more. Many of the kids served are from low-income families and rely on the after-school programs at the Chicago Boys & Girls Club. The volunteer event tallied more than 326 hours of mentoring and support, resulting in a check of \$5,000 from Walmart for Volunteerism Always Pays.

Small business success

Since 2010, Sam's Club and the Sam's Club Giving Program have provided more than \$11 million to nonprofits to help local main street small businesses grow and realize their dreams. We're proud to serve these small businesses in our clubs every day by saving them time and money – so our giving is a natural extension of our commitment to small businesses everywhere. Sam's Club and the Sam's Club Giving Program aim to reach small business owners by providing critical training on topics such as finance or marketing, and enable micro-loans and technical assistance. We believe our investments via grants in both proven and innovative programs will result in increased revenues for main street businesses and new local jobs.

By the numbers

56.9 million meals donated to local Feeding America Food Banks

\$136 million cash and in-kind donations

More than 4,000 microbusiness owners reached through nonprofit programs providing training

\$4 million Salvation Army Red Kettle associate and member contributions



Meet Alicia

Using her Mazatlán family recipes, Alicia Villanueva sold tamales in front of Berkeley, Calif., churches for almost 10 years before meeting the staff at La Cocina, a food-business incubator – a grantee from the National Association for Latino Community Asset Builders and the Sam's Club Giving Program. It was at that moment that Alicia says "my life changed," and her longtime dream of owning her own business became a reality. Since that day, Alicia has steadily scaled up and expanded her business. Alicia's staff has grown to include nine employees, all women. Less than three years after launching, Alicia continues to command its niche market, making up to 3,000 tamales a week, and earning \$17,000 in revenue monthly.



Visit www.samsclub.com/giving to learn more.

Environment – Sam's Club U.S.

Product packaging



Daily Chef Non-Dairy Creamer

Originally redesigned for improved member experience, the 60-ounce Daily Chef Non-Dairy Creamer packaging was adjusted. This removed 93,362 pounds of plastic and 111,074 pounds of unnecessary corrugate from the waste stream annually, while removing the equivalent of 39 trucks from the road.

General Mills refresh

An initial member-experience refresh of 40-ounce Chex initiated by the Sam's Club team led to a significant decrease in the use of corrugate materials. More than 157 tons of corrugate have been eliminated, saving approximately 2,675 trees per year.

Sam's Club Private Brand Diapers

In late 2012, we leveraged our learnings from our transition from box to bag in the incontinence category and embarked on a project to convert our retail diaper club boxes from printed corrugate to printed poly film with handles. This change created less waste in landfills by eliminating more than 1.5 million pounds of packaging material annually, and reducing the number of trucks needed to transport the product by 43.

Project S.A.M.: Engaging associates in sustainability

In April 2013, Sam's Club nationally launched Project: S.A.M. (Sustainability Actions Matter), a program designed to marry My Sustainability Plan's (MSP) focus on personal sustainability with tangible business and sustainability results at our U.S. clubs. The three focus points of the program – increased recycling of Super Sandwich Bales, reduction of freezer cooler door alarm hours and associate engagement in MSP – allow us to leverage our size and scale to grow the impact inside and outside our clubs.



Achievements since the rollout:

- Super Sandwich Bale recycling improvements have increased our net program performance year over year and contributed to an increase of net revenue due to increased focus on proper cardboard recycling. If this trend continues, it would result in significant savings for the year.
- Freezer cooler door alarm activations decreased by 6.6 percent, reducing energy expenditure in the clubs.
- MSP participation in clubs increased from less than 1 percent to nearly 20 percent. Associates who engage in their health and encourage sustainability serve as role models in terms of engagement to their work and Sam's Club.

Waste reduction

Puerto Rico recycling

Prior to 2013, Sam's Clubs and Walmart stores in Puerto Rico primarily recycled cardboard. In 2013, all U.S. sustainability programs were integrated into those facilities via on-site associate training. Participation and execution across the island has exceeded expectations and, as of December, thousands of tons of cardboard, plastics, aluminum and other materials had been recycled, hundreds of tons of animal feed compost had been produced from recovered organic waste, and hundreds of tons of food had been donated to the Bayamon Food Bank. Additionally, the Walmart Foundation awarded the Bayamon Food Bank a new refrigerated truck to improve the organization's ability to receive and safely transport increased food donations across the island.



Receipt paper reduction

The cost of our receipt paper increased by 11 percent in 2013, which prompted the Sam's Club team to reduce the size of its receipts at registers. In working with a cross-functional stakeholder group, Sam's Club was able to reduce the size of the average receipt by three inches. This equates to more than 148 million feet of receipt paper annually, resulting in a cost savings of \$537,000.



Giving

Total in-kind giving more than \$1 billion

U.S. in-kind giving more than \$978 million

International in-kind giving more than \$37 million

Save Money. Live Better. We live by these words. But the work we do to help people live better goes beyond our store walls and our e-commerce websites. Supporting organizations that positively impact local communities around the globe is something we consider part of our mission. We're proud that in this last fiscal year, Walmart and the Walmart Foundation gave more than \$1 billion to make a difference in the big issues that matter to us all.

Some examples of our giving in FY2014 include:

- Awarded more than 89,000 grants to support the work of organizations in local communities around the world.
- More than 280,000 low-income women in Bangladesh, Central America, India and the U.S. received job skills training.
- Walmart, Sam's Club and Logistics associates volunteered more than 1.8 million hours, generating \$17 million for local U.S. nonprofits.

U.S. cash

International cash

Total cash

\$282 million

\$34 million

\$316 million



2013 Commitments and progress



Completed



On track



Behind

Hunger

Commitment	Progress	Update
Through 2015, donate 1.1 billion pounds of food from Walmart and Sam's Club facilities in the U.S.		Since announcing our Fighting Hunger Together commitment in May 2010, Walmart and Sam's Club facilities have donated more than 1.58 billion pounds of food, surpassing our goal one year earlier than anticipated.
Through 2015, award \$250 million in hunger-relief grants at the local, state and national levels.		As of January 2014, Walmart and the Walmart Foundation have awarded \$260 million in grants to hunger-relief programs at the local, state and national levels. This is 4 percent more than our original commitment.
Mobilize Walmart associates and customers.		In 2013, we expanded our efforts to engage Walmart associates and customers in the fight against hunger in the U.S. Over the course of the summer, associates participated in a Volunteerism Goes Viral campaign, which resulted in more than 4,100 associates volunteering more than 13,000 hours toward hunger relief efforts. Walmart and the Walmart Foundation donated more than \$250,000 in grants to those nonprofits to support the efforts of our associates.
Collaborate with government, food manufacturers, other foundations and corporations.		To ensure the success and sustainability of our efforts, we work with others who are fighting hunger. These partnerships magnify our impact. For example, we engaged 10 of our partner suppliers in our Fighting Hunger Together campaign, resulting in more than \$4 million in additional donations to fight hunger across the U.S. We also actively work with other corporations that are committed to this cause to share learnings and help raise public awareness.

2013 Commitments and progress



Healthier food – Over the past year, we continue to make significant progress toward our five commitments in this critical area.

1. Reformulate thousands of everyday packaged food items by the end of 2015.
2. Save customers money on healthier food.
3. Launch a simple front-of-package icon backed by strong nutrition criteria.
4. Open Walmart stores in food deserts by 2016.
5. Increase charitable support for nutrition programs.

Commitment	Progress	Update
Improve the nutritional quality of our Great Value™ brand and national food brands. Reduce sodium by 25 percent and added sugars by 10 percent, as well as remove all industrially produced trans fats by the end of 2015 (2008 Baseline).		By the end of FY2013, we reduced sodium by 13 percent, and we surpassed our goal for sugar reduction in FY2012. At the end of FY2013, fewer than 7 percent of products in our U.S. stores contained partially hydrogenated oils, a decrease from 9 percent in FY2012.
Save customers at least \$1 billion a year on healthier foods, including reduced prices on produce and parity pricing on healthier foods and beverages.		In FY2014, we exceeded our annual goal by saving our customers \$1.2 billion on fresh fruits and vegetables. Since making this commitment, we have saved our customers \$3.5 billion on fresh produce. The price differential between healthier and traditional food and beverage choices has been reduced in the past year from 5.4 percent to 5.1 percent.
Create a front-of-package icon to help consumers easily and quickly identify healthier food options, such as whole grain cereal, whole wheat pasta, lean cuts of meat and low-fat milk.		<p>In 2013, our Great For You™ icon continued to roll out in Walmart U.S. stores and now appears on Great Value™ and Marketside™ foods and beverages.</p> <ul style="list-style-type: none"> • More than 30 percent of Great Value™ and Marketside™ private-brand foods and beverages, including fresh produce, meats, poultry and seafood, now carry the Great For You™ icon. • We launched tools to help consumers put Great For You™ into action. These included more than 75 quick, affordable and nutritious recipes, weekly food tips, messages communicated via social media channels and a series of short videos to help plan, shop and prepare healthier meals and snacks at home. • The Great For You™ icon has been made available for use to national-brand companies.
Open between 275 and 300 new stores in urban and rural food deserts by 2016. Increase access to fresh and healthier foods for Americans.		By the end of FY2014, we opened 224 stores serving food deserts across the country. Of these, 48 were opened in FY2012, 80 in FY2013 and 96 in FY 2014.
Invest in food and nutrition programs to help educate consumers about healthier food choices.		Walmart and the Walmart Foundation continue to honor our commitment to increase charitable support for nutrition programming, donating more than \$15.4 million in 2013 and more than \$41 million since 2011. With a goal of helping Americans learn to choose and use healthier, more nutritious food items, we fund programs that teach cooking and shopping skills, provide nutrition education and increase knowledge of healthy eating.

2013 Commitments and progress



Completed



On track



Behind

Global Women's Economic Empowerment

Commitment	Progress	Update
<p>Source \$20 billion from women-owned businesses for our U.S. business through 2016.</p>		<p>To achieve our end goal of \$20 billion, we set annual targets for our U.S. business and have met those targets through the first two years. Spend with women was up significantly for FY2014. Through surveys of our merchants and suppliers, we identified challenges facing women-owned businesses (WOB) and, in partnership with Supplier Diversity and Supplier Administration, implemented a variety of tools and resources to address them. Examples of these tools include:</p> <ul style="list-style-type: none"> Scorecards: Our WOB scorecards ensure merchants and leaders have visibility into the WOBs and diverse suppliers they currently work with and how each area of the business is tracking against its target. These tools drive focus and accountability across the business. Supplier Academy: In November 2013, Walmart launched Supplier Academy, a set of online educational modules designed to prepare "merchant-ready" suppliers and buyers. Modules such as "Keys to a Successful Buyer Presentation" and "Working with Small and Diverse Suppliers" are aimed at developing strong working relationships and set both sides up for success. Supplier Summits: In 2013, Walmart conducted two types of supplier summits. The first allowed our teams to discuss strategic business growth opportunities with current WOB suppliers. The second focused on finding new suppliers. All in all, Walmart and Sam's Club held 10 summits last year to help grow existing or identify new suppliers for our business.
<p>Double sourcing from women-owned businesses in our international markets through 2016.</p>		<p>To reach this goal, we need tailored strategies by market. Our first step has been to establish a baseline, then to analyze our supply base, then research the business and cultural realities that affect WOBs in our markets. The following represents a sampling of the progress we have made over the past two years:</p> <ul style="list-style-type: none"> Assembled a working group representing each of our international markets and Global Sourcing team to share information, ideas, best practices and progress. Identified our WOB suppliers in seven of our international markets. In September 2013, along with other corporate and nonprofit partners, signed a Clinton Global Initiative mega-commitment to advance women entrepreneurs by training 15,000 women business owners and sourcing \$1.5 billion from WOBs outside the U.S. by 2018. Gave two grants to WEConnect International to develop training programs for women entrepreneurs on Accessing Global Corporate Supply Chains and Working with Walmart.
<p>Launch a dedicated e-commerce platform designed to give small women-owned businesses/women-empowering businesses access to our customers.</p>		<p>In March 2013, we launched Empowering Women Together (EWT), a destination on Walmart.com that connects small WOBs around the world with customers who are looking for products from WOBs. It began with more than 200 items from 19 suppliers in nine countries and has grown to more than 350 items from 30 businesses in 12 countries.</p>

2013 Commitments and progress



Completed



On track



Behind

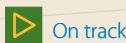
Global Women's Economic Empowerment continued

Commitment	Progress	Update
Empower nearly 1 million women on farms and in factories through training, market access and career opportunities through 2016.		By the end of 2013, Walmart and the Walmart Foundation had contributed to training 283,280 women on farms and in the workforce.
By the end of 2016, in emerging markets train 500,000 women in the agriculture value chain.		By the end of 2013, Walmart and the Walmart Foundation had helped train approximately 307,332 emerging-market farmers and farm workers, of which 132,405 were women. In addition, the Walmart Foundation funded six projects in Africa and Asia that will reach another 370,000 farmers, of which 258,000 are expected to be women.
We will help 60,000 women working in factories develop the skills they need to become more active decision-makers in their jobs and for their families by the end of 2016.		By the end of 2013, the Women in Factories program had trained 27,441 women in foundational training for life and work skills. Of those women, 799 completed advanced training. The training has been implemented in 40 factories in Bangladesh, El Salvador, India and Honduras. Training will begin in China in 2014.
By the end of 2016, train 200,000 women for their first jobs in retail in our emerging markets.		By the end of 2013, Walmart and the Walmart Foundation had contributed to training 11,846 women in Argentina, Brazil, El Salvador and India in retail skills. The Walmart Foundation also funded Samasource, a leader in microwork, to train 10,000 women in Kenya and Uganda on critical digital and soft skills.
Help 200,000 women in the U.S. from low-income households gain the skills they need for employment by the end of 2016.		Since the launch of the initiative, 111,588 U.S. women from low-income households have received training through programs funded by the Walmart Foundation. In 2013, the Walmart Foundation provided more than \$20 million to eight national grantees and more than 100 state grants to help 65,000 economically vulnerable women achieve greater financial security through training, education and access to better job opportunities. This included \$5.66 million for seven women's community foundations to continue the Pathways to Prosperity program and \$3.5 million to Wider Opportunities for Women to place women into nontraditional jobs, such as advanced manufacturing and construction.
Work with professional service firms and merchandise suppliers with more than \$1 billion in sales to increase women and minority representation on Walmart accounts		At the end of 2013, more than 100 professional-service suppliers had been invited to report the gender and ethnicity of their Walmart or Sam's Club teams using the online tool. These same professional service suppliers will be asked to update their team information in the fall of 2014 to allow for year-over-year analysis of the data. Also in 2014, we will initiate reporting for global accounts and top merchandise suppliers. To ease onboarding process for new suppliers, we are also developing an online training module for the online reporting tool.
Support for these programs will come from more than \$100 million in grants from the Walmart Foundation and direct donations from Walmart's international business.		Since the launch of this initiative, the Walmart Foundation has contributed more than \$79 million in state, national and international grants toward these programs.

2013 Commitments and progress



Completed



On track



Behind

U.S. opportunity

Commitment	Progress	Update
Offer a job to any eligible, honorably discharged veteran within their first 12 months off active duty.		As of February 2014, Walmart has hired more than 32,000 veterans. We project we will hire 100,000 veterans by the end of 2018, many within their first 12 months off active duty.
Buy an additional \$250 billion in products made, assembled, sourced or grown in the U.S. over 10 years in an effort to grow U.S. manufacturing and encourage the creation of U.S. jobs (began in 2013).		Walmart has seen many early successes with the program. Walmart hosted its first U.S. Manufacturing Summit in August 2013, with 34 states, eight governors and more than 1,500 attendees. Multiple commitments have already been made by suppliers, and we are on track to continue this progress.

Energy

Commitment	Progress	Update
Be supplied by 100 percent renewable energy.		As of 2013, Walmart-driven renewable energy projects and purchases provided about 8 percent annually of our buildings' electricity needs. The grid supplied another 16 percent, for a total of 24 percent renewable electricity.
Double fleet efficiency in the U.S. by October 2015 (2005 Baseline).		Walmart U.S. Logistics has achieved an 86 percent improvement in fleet efficiency over our 2005 baseline. Industry-leading innovation in both equipment and operations resulted in a 6 percent increase in 2013.
By Dec. 31, 2020, reduce the total kWh-per-square-foot energy intensity required to power our buildings by 20 percent versus 2010.		Walmart has reduced the total kWh-per-square-foot energy intensity of our buildings worldwide by 7 percent versus 2010. The majority of this progress has been driven by retrofits and remodeling of our existing buildings.
Drive the production or procurement of 7 billion kWh of renewable energy globally by Dec. 31, 2020 – an increase of more than 600 percent versus 2010.		Walmart produced or procured an annualized 2.2 billion kWh of renewable energy in 2013. This more than doubles the amount of Walmart-driven renewable energy worldwide since our previous report.

2013 Commitments and progress



Completed



On track



Behind

Waste

Commitment	Progress	Update
Eliminate landfill waste from U.S. stores and Sam's Club locations by 2025.		Walmart U.S. waste diversion improved to 81.66 percent in 2013 across stores, clubs, distribution centers and other facilities.
Walmart will reduce food waste in emerging-market stores and clubs by 15 percent and in our other markets by 10 percent by the end of 2015 (2009 Baseline).		Walmart continues to take steps forward by reducing food waste in Brazil, Central America, Japan, Mexico and the U.K., but a variety of factors has increased the challenge of our remaining on track globally for this goal. The expansion of our fresh food offering in several markets has created the potential for additional throwaway. In addition, we continue to recognize that the biggest opportunity to reduce food waste resides in how food is handled and transported before it ever reaches our stores. We're focused on identifying opportunities through the entire life cycle of the food we sell, from farm to table. And we're applying market-level wins and best practices across our global operations, as appropriate.

Products

Commitment	Progress	Update
We will develop a worldwide sustainable product index globally.		Using the work of The Sustainability Consortium, we are delivering the Sustainability Index in more than 700 categories to buyers in the U.S., Sam's Club and several international markets. We are developing a clear road map to continue global expansion.
By the end of 2017, we'll buy 70 percent of the goods we sell in Walmart U.S. and Sam's Club U.S. units only from suppliers who use the Sustainability Index to evaluate and share the sustainability of their products.		As we continue to expand the Index to new categories, we are asking suppliers to use the tools to measure and report their sustainability performance.
Beginning in 2013, we'll use the Index to influence the design of our U.S. private-brand products.		We have started evaluating Index results in high-volume, private-brand categories to identify opportunities to drive improvements in product design.
Beginning in 2013, key global sourcing leaders will join our product buyers in Walmart U.S. and Sam's Club who already have specific sustainability objectives tied to their annual evaluations.		We worked with Global Sourcing leaders to establish priorities and goals for product sustainability.
Eliminate 20 million metric tons (MMT) of greenhouse gas (GHG) emissions from Walmart's global supply chain by the end of 2015.		Working with our suppliers and customers, we have eliminated more than 7.575 MMT of GHG emissions from our supply chain. We project our implemented and near-complete innovation initiatives will deliver more than a cumulative 18 MMT of GHG emissions by 2015. By managing a portfolio of projects and leveraging the Index to spur innovation and create accountability, we are confident that we are on track to achieve our goal.

2013 Commitments and progress

Completed
On track
Behind

Products continued

Commitment	Progress	Update
Walmart will sell \$1 billion in food sourced from 1 million small and medium-sized farmers in emerging markets by the end of 2015.		In 2013, we undertook a mapping process to estimate the number of small and medium-sized farmers in the supply chains of Walmart private brands. Given this work, we estimate Walmart is sourcing \$4 billion from 1.2 million to 1.4 million small and medium-sized farmers. We've focused our programmatic sourcing efforts in our produce purchasing, where we have the most direct relationship with farmers, and funded training programs for farmers in several other categories.
Walmart will provide training to 1 million farmers and farm workers in our food supply chain, of which we expect half will be women, in emerging markets by the end of 2015.		By the end of 2013, Walmart and the Walmart Foundation had contributed to training 307,332 farmers and farm workers in emerging markets, of which 132,405 were women. In addition, the Walmart Foundation funded six projects in Africa and Asia in 2013, which will reach another 370,000 farmers, an estimated 258,000 of them being women.
We will raise the income of the small and medium-sized farmers we source from by 10 to 15 percent in emerging markets by the end of 2015.		In China, we continue to work with the University of California at Davis and the Chinese Center for Agricultural Policy to conduct an income assessment of produce production bases that supply Walmart China and other retailers.
In the U.S., Walmart will double sales of locally sourced produce, accounting for 9 percent of all produce sold by the end of 2015 (2009 Baseline).		Despite the unpredictability of weather patterns and their impact on crops, we remain on course to continue expanding our purchases of locally grown fruits and vegetables and achieving our goal of doubling our local purchases by 2015.
Walmart will require sustainable sourced palm oil in all of our private-brand products globally by the end of 2015.		More than 20 percent of our global palm oil use supports sustainable growing. This includes GreenPalm certificates, Mass Balance and Segregated. Six of our international markets purchased GreenPalm certificates to cover all their 2012 palm usage. In 2013, we demonstrated an approach to support sustainable growing while achieving overall cost neutrality for the customer. This was executed in 27 percent of the U.S. private brands. We are assessing the feasibility of achieving the goal through this approach and will adjust strategy or tactics to close any gap.
Walmart will expand the already existing practice of Walmart Brazil of sourcing only beef that does not contribute to the deforestation of the Amazon rainforest to all of our companies worldwide by the end of 2015.		In 2012, Walmart Brazil developed our Amazon Beef Risk Management Platform. In 2013, Walmart Brazil rolled out to suppliers and established supplier qualifications and continuous improvement plans. A platform has been developed to roll out the tool to all relevant Walmart markets.
Walmart plans to invest more than \$1 billion in our perishable supply chain so that we deliver fresher, higher-quality food with a longer shelf life by the end of 2015.		Through the end of 2012, we invested \$535 million into our global fresh supply chain. The primary investment for fresh supply chain is in new or expanded distribution center capacity, with secondary investment in refrigerated trailers. During the second half of 2012, we opened a state-of-the-art distribution center in northern England, and more than \$300 million was approved for new or expanded distribution centers in Chile, England, Japan, Mexico and the U.S.

Global reporting initiative index

Description

Reported

Part I: Profile Disclosures		
Strategy and analysis		
1.1	Statement from most senior decision-maker of the organization..	2–5
1.2	Description of key impacts, risks and opportunities.	3–5, 10–11, Annual Report (AR) (19–35)
Organizational profile		
2.1	Name of the organization.	Front cover
2.2	Primary brands, products and/or services.	110–111
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	110–111, http://stock.walmart.com/corporate-governance
2.4	Location of organization's headquarters.	Back cover
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	110–111, 10-K (5), AR (58), http://stock.walmart.com/corporate-governance
2.6	Nature of ownership and legal form.	10-K (1, 20) http://stock.walmart.com/corporate-governance
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	http://stock.walmart.com/corporate-governance
2.8	Scale of the reporting organization.	110–111 AR (18, 36–39)
2.9	Significant changes during the reporting period regarding size, structure or ownership.	AR (57)
2.10	Awards received in the reporting period.	31, 76, http://news.walmart.com/walmart-facts/corporate-financial-fact-sheet
Report parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Inside front cover (IFC)
3.2	Date of most recent previous report (if any).	IFC
3.3	Reporting cycle (annual/biennial, etc.).	IFC
3.4	Contact point for questions regarding the report or its contents.	15
3.5	Process for defining report content.	IFC
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	110–111
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	No specific limitations
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	10-K (24)
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	AR (19–20)

Global reporting initiative index

Description	Reported	
3.10	Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	14
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	No significant changes
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	This is not externally assured
Governance, commitments and engagement		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	16, http://stock.walmart.com/corporate-governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	16, http://stock.walmart.com/corporate-governance
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or nonexecutive members.	AR, http://corporate.walmart.com/our-story/leadership/board-of-directors
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	http://stock.walmart.com/contact-investor-relations
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	16, http://stock.walmart.com/corporate-governance/governance-documents
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	16, http://stock.walmart.com/corporate-governance/governance-documents
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	16, http://stock.walmart.com/corporate-governance/governance-documents
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance, and the status of their implementation.	16, http://corporate.walmart.com/our-story/ethics-integrity ; http://corporate.walmart.com/our-story/heritage
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	16, http://stock.walmart.com/corporate-governance/governance-documents
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	16, http://stock.walmart.com/corporate-governance/governance-documents
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	16, http://stock.walmart.com/corporate-governance/governance-documents
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	Walmart endorses the principles of a variety of organizations, including GRI, CDP, The Sustainability Consortium and others. http://corporate.walmart.com/global-responsibility/ethical-sourcing/partnerships

Global reporting initiative index

Description

Reported

4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization has positions in governance bodies, participates in projects or committees, provides substantive funding beyond routine membership dues or views membership as strategic.	14
4.14	List of stakeholder groups engaged by the organization.	14
4.15	Basis for identification and selection of stakeholders with whom to engage.	14
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	14
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	14, 50–57, 64–67, 82–83, 103

Part II: Disclosures on Management Approach (DMAs)

DMA EC

Disclosure on Management Approach EC

Aspects	Economic performance	AR (19–35)
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	Indirect economic impacts	38–61

DMA EN

Disclosure on Management Approach EN

Aspects	Materials	98–107
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	Water	94–95, https://www.cdp.net/en-US/Results/Pages/responses.aspx
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	Emissions, effluents and waste	84–99
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	Compliance	40–45, 104
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DMA LA

Disclosure on Management Approach LA

Aspects	Employment	18–37
	Labor/management relations	14–15
	Occupational health and safety	48–49
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Global reporting initiative index

Description		Reported
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	Non-discrimination	20–25
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	Security practices	NR
	Indigenous rights	NR
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	Remediation	NR
DMA SO		
Disclosure on Management Approach SO		
Aspects	Community	62–79
	Corruption	http://ethics.walmartstores.com/IntegrityIntheCommunity/AntiCorruption.aspx
	Public policy	17
	Anticompetitive behavior	https://walmartethics.com
	Compliance	40–45
DMA PR		
Disclosure on Management Approach PR		
Aspects	Customer health and safety	46–49
	Product and service labeling	46–49
	Marketing communications	Our legal department verifies that Walmart's advertising campaigns are in compliance with applicable consumer protection laws, advertising regulations and industry self-regulatory guidelines.
	Customer privacy	http://ethics.walmartstores.com/IntegrityIntheCommunity/ProtectingInformation.aspx
	Compliance	40–45

Part III: Performance Indicators

Economic

Economic performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	2–13, 110–111
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	82–97, https://www.cdp.net/en-US/Results/Pages/responses.aspx
EC3	Coverage of the organization's defined benefit plan obligations.	26–28
EC4	Significant financial assistance received from government.	NR

Global reporting initiative index

Description

Reported

Market persence		
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	NR
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.	50–57, 68–72, 102–103
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	NR
Indirect economic impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	50–57, 64–71
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	16–17, 50–57, 64–79, 110–111
Environmental		
Materials		
EN1	Materials used by weight or volume.	NR
EN2	Percentage of materials used that are recycled input materials.	NR
Energy		
EN3	Direct energy consumption by primary energy source.	90
EN4	Indirect energy consumption by primary source.	NR
EN5	Energy saved due to conservation and efficiency improvements.	89–90, https://www.cdp.net/en-US/Results/Pages/responses.aspx
EN6	Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives.	84–97
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	86–97
Water		
EN8	Total water withdrawal by source.	NR
EN9	Water sources significantly affected by withdrawal of water.	NR
EN10	Percentage and total volume of water recycled and reused.	https://www.cdp.net/en-US/Results/Pages/responses.aspx
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	NR
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	NR
EN13	Habitats protected or restored.	http://corporate.walmart.com/global-responsibility/environment-sustainability/acres-for-america
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	NR
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	NR

Global reporting initiative index

Description **Reported**

Emissions, effluents and waste	
EN16	Total direct and indirect greenhouse gas emissions by weight.
EN17	Other relevant indirect greenhouse gas emissions by weight.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19	Emissions of ozone-depleting substances by weight.
EN20	NOx, SOx and other significant air emissions by type and weight.
EN21	Total water discharge by quality and destination.
EN22	Total weight of waste by type and disposal method.
EN23	Total number and volume of significant spills.
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.
Products and service	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.
Compliance	
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations
Transport	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
Overall	
EN30	Total environmental protection expenditures and investments by type.

Global reporting initiative index

Description

Reported

Social: Labor Practice and Decent Work	
Employment	
LA1	Total workforce by employment type, employment contract and region.
22–25, 10-K (13)	
LA2	Total number and rate of employee turnover by age group, gender and region
NR	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.
26–28	
LA15	Return to work and retention rates after parental leave, by gender
NR	
Labor/management relations	
LA4	Percentage of employees covered by collective bargaining agreements.
The associates in eight of Walmart's international markets (either entirely or in part) are covered by the terms of collective bargaining agreements. This represents approximately 16 percent of Walmart's global workforce.	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.
NR	
Occupational health and safety	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
NR	
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.
49	
EN8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.
26–28	
LA9	Health and safety topics covered in formal agreements with trade unions.
NR	
Training and education	
LA10	Average hours of training per year per employee by employee category.
NR	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
32–35	
LA12	Percentage of employees receiving regular performance and career development reviews.
14	
Diversity and equal opportunity	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.
22–25	
LA14	Ratio of basic salary of men to women by employee category.
NR	

Global reporting initiative index

Description Reported

Social: Human Rights		
Investment and procurement practices		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	NR
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	NR
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	NR
Nondiscrimination		
HR4	Total number of incidents of discrimination and actions taken.	NR
Freedom of association and collective bargaining		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	NR
Child labor		
HR6	Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor.	50–52, 68–71
Forced and compulsory labor		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor.	50–61
Security practices		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	NR
Indigenous rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	NR
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	NR
Assessment		
HR11	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	NR
Social: Society		
Community		
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	NR
SO9	Operations with significant potential or actual negative impacts on local communities.	NR
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	NR

Global reporting initiative index

Description		Reported
Corruption		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	NR
SO3	Percentage of employees trained in organization's anticorruption policies and procedures.	NR
SO4	Actions taken in response to incidents of corruption.	NR
Public policy		
SO5	Public policy positions and participation in public policy development and lobbying.	17
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	15
Anticompetitive behavior		
SO7	Total number of legal actions for anticompetitive behavior, antitrust and monopoly practices and their outcomes.	NR
Compliance		
SO8	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations.	NR
Social: Product Responsibility		
Customer health and safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	100–107
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	47, 58–59
Product and service labeling		
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	NR
PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	NR
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	14
Marketing communications		
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	http://ethics.walmartstores.com/
PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	NR
Customer privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	NR
Compliance		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	NR

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About GRI:

Transparency about economic, environmental and social impacts has become a fundamental component of effective stakeholder relations, investment decisions and other market relations. To support this expectation, Global Reporting Initiative (GRI) has collaborated with a large network of experts – including business, labor, nongovernmental organizations (NGOs), investors, accountancy and others – to develop a globally trusted framework for sustainability reporting. This multi-stakeholder approach supports the reporting framework, now incorporated into the 2014 Walmart Global Responsibility Report. Walmart's report met a GRI-checked application of "B". Our GRI Content Index, which details the location of our GRI standard disclosures in the report and on our corporate website, can be found on pages 174-182 of this report.



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Our sustainable, next-generation report.

The minimized environmental footprint of this report is the result of an extensive, collaborative effort of Walmart and its supply chain partners. The environmental and social impact continues to be an important consideration. The entire text pages are printed on 60% tree-free Step Forward Paper™ made up of 60% wheat straw waste and 40% Forest Stewardship Certified® (FSC®) virgin wood pulp fiber that is Elemental Chlorine Free (ECF). Agricultural waste used to make this paper would have typically been landfilled or burned. Instead it provides farmers with a new source of revenue. The cover is printed on paper from well-managed forests containing PWC fiber that is Elementally Chlorine Free (ECF).



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