

# Walmart on Track to Reduce 1 Billion Metric Tons of Emissions from Global Supply Chains by 2030



Image

Inaugural Environmental, Social & Governance Report (ESG) outlines how Walmart drives change in the industry and creates shared value

Retailer achieves significant progress in ESG efforts, including 93 million metric ton reduction of supplier emissions<sup>i</sup> and 6.1% reduction in Scopes 1 and 2 annual greenhouse gas emissions in 2017<sup>ii</sup>

**BENTONVILLE, Ark., May 8, 2019** – Walmart Inc. (NYSE: WMT) today issued its inaugural Environmental, Social and Governance (ESG) Report, which details the company's goals, progress and achievements for fiscal year 2019 toward its commitment to increase economic opportunity for associates and local communities, build sustainability in supply chains and activate climate change initiatives.

Walmart is disclosing progress to date in several areas including:

## Activating Climate Change Initiatives

**Climate Change Impact Scenario Analysis** – Walmart worked with an independent third-party consultant to better understand the nature of climate change and potential implications for the retail sector aiming to align with the scenario guidance set forth by the Task Force on Climate-related Financial Disclosures.

**Reducing Greenhouse Gas Emissions** – Walmart reports a 6.1% reduction in Scopes 1 and 2 annual greenhouse gas emissions in 2017 compared with 2015.<sup>iii</sup>

**Project Gigaton** - Walmart made advancements on its Project Gigaton goals with suppliers reporting

avoiding more than 93 million metric tons of emissions over the last two years. Launched in 2017, Project Gigaton is a global effort that invites suppliers to join Walmart in a commitment to avoid 1 billion metric tons of emissions in the company's collective value chains by 2030.

**Using Renewable Energy** - As part of Walmart's goal of being supplied by 50% renewable energy by 2025, 28% of Walmart's electricity needs are supplied by renewable sources.<sup>iv</sup>

**Mitigating Waste** - In 2018 in the U.S., Walmart diverted 81% of unsold products, packaging and other waste materials from landfills. Walmart also recycled more than 430 million pounds of plastic film and rigid plastics globally.

### Enhancing Sustainability in Supply Chains

**Human Rights** - The ESG Report includes a discussion of salient human rights issues and progress on related initiatives within the company and through collective action, building on the human rights statement the company published last year bringing together in one place the company's perspective on respecting human rights in its operations and supply chains.

**Sourcing Responsibly** - To help address worker safety issues in the Bangladesh ready-made garment industry, Walmart became a founding member of the Alliance for Bangladesh Worker Safety in 2013. The Alliance concluded its five-year commitment on December 31, 2018, and we have seen significant progress, including 90% of high-priority remediation items completed across all factories affiliated with the Alliance.

**Sustainability Index** - As of the end of FY2019, Walmart achieved a supplier Sustainability Index participation rate that covers 80% of the goods Walmart sells in U.S. stores and Sam's Club locations for categories where the Sustainability Index is available.

### Increasing Economic Opportunity for Associates

**Advancing Economic Mobility** - Walmart promoted more than 215,000 people to jobs of greater responsibility and higher pay in Walmart U.S. stores in FY2019.

**Fostering Inclusion**<sup>v</sup> - 31% of Walmart's corporate officers are women, 44% of associates with revenue responsibility are women and 57% of hourly promotions were women. Of the 800,000 Walmart U.S. store associates that have been through the Walmart Academy, 60% of those trained were women. Additionally, 34% of associates with revenue responsibility are people of color.<sup>vi</sup>

**Wages and Benefits** - Walmart is committed to the economic mobility of its associates and has shared that the average total compensation and benefits for a full-time, hourly field associate in Walmart U.S. stores is \$19.31 as of March 2019.<sup>vii</sup>

It's not enough to just serve one stakeholder group, the opportunity for business and their leadership is to add value for all stakeholders. Throughout Walmart's history, we have understood that for a business to last, it must have a fundamental reason for being, which is found in the value it creates for all – customers, associates, communities, shareholders, suppliers, future generations, and the planet.

- Doug McMillon, CEO of Walmart

"Through ESG initiatives, our goal is not only minimizing our own footprint or mitigating risk, but to inspire collective action to help transform the sector for long-term environmental, social and economic sustainability," said Kathleen McLaughlin, Walmart's chief sustainability officer. "We're engaged in efforts to source responsibly, create economic opportunity for retail associates and people working in supply chains, take action on climate change, and help improve sustainability of the products we sell. We believe business exists to serve society, and that when business engages to be part of the solution not only can we help accelerate progress in the world, we make our business better, too."

Walmart's ESG report is a newly-focused and streamlined update on how the company approaches key issues facing society and initiatives across its business segments that make a difference in both the communities it operates and the world. In addition to the ESG report, Walmart also announced today the release of its [annual update](#) on ethics and compliance which focuses on enhancements the company has made to its Global Ethics and Compliance Program over the years, as well as the launch of [Walmart.org](https://Walmart.org), a new website featuring the philanthropic efforts of Walmart and the Walmart Foundation.

Walmart's ESG report is available at [Walmart.com/ESGreport](https://Walmart.com/ESGreport)

### About Walmart

Walmart Inc. (NYSE: WMT) helps people around the world save money and live better - anytime and anywhere - in retail stores, online, and through their mobile devices. Each week, over 275 million customers and members visit our more than 11,300 stores under 58 banners in 27 countries and eCommerce websites. With fiscal year 2019 revenue of \$514.4 billion, Walmart employs over 2.2 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy and employment opportunity. Additional information about Walmart can be found by visiting <http://corporate.walmart.com>, on Facebook at <http://facebook.com/walmart> and on Twitter at <http://twitter.com/walmart>.

<sup>i</sup> We previously reported year one results as “more than 20 million metric tons”; the exact figure was 21,518,699 metric tons, plus 13,233,733 of “roll-forward” emissions which were not publicly reported and are retroactively being added to the year one total in line with the clarified temporal allocation procedures described in the Project Gigaton Accounting Methodology.

<sup>ii</sup> Decline in emissions (Scope 1 and 2) between 2015 and 2017, is adjusted for most recent grid factors. On an unadjusted basis (as reported to CDP, using grid factors available in the year of reporting), the decline was 11.2%. Measurement accounts for changes in majority-owned subsidiaries over time through corresponding adjustments to baseline and year of measurement.

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<sup>iv</sup> This considers the combined contribution of the renewable energy credits and power generated from onsite and offsite projects as well as renewable energy that we receive from utility-owned renewable generation feeding into the grids where our sites are located. At the time this report was prepared, calendar year 2017 was the most recent year for which we have third-party-verified energy consumption data. This was used in combination with the electricity procured from our renewable energy projects in 2018 and the most recent grid fuel mix information obtained from the International Energy Agency for the regions where we operate.

<sup>v</sup> Diversity & inclusion numbers are calculated based upon total U.S. workforce, including associates in the U.S. regardless of whether assigned to subsidiary that owns or operates an ecommerce business, platform and/or marketplace.

<sup>vi</sup> Individuals with revenue producing responsibility are those U.S. corporate and field managers with P&L responsibilities.

<sup>vii</sup> Based upon average hourly wage calculated for full time associates assigned to Walmart U.S. stores, excluding Health and Wellness, as of March 15, 2019, plus value of FY2019 benefits.

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**Subjects:** Company Announcements and Releases