

# 2013 Global Responsibility Report

The Responsibility to Lead



Associate Diversity | Veterans | Healthier Foods | Manufacturing | Giving | Sustainability Index | Jobs and Opportunity | Women's Empowerment | Renewable Energy | Hunger Relief





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## About this report

The scope and boundaries of the 2013 Walmart Global Responsibility Report encompass our corporate social, environmental and company responsibility efforts, while also providing snapshots into each of our individual markets around the globe. The report reviews our progress and performance during fiscal year 2013, reflects areas where we've achieved tremendous positive results and specifies areas of opportunity we must continue to focus on. The reporting timeline covers the period of Feb. 1, 2012 – Jan. 31, 2013 and builds on our last report, issued April 2012. Unless otherwise noted, all currency is in U.S. dollars.

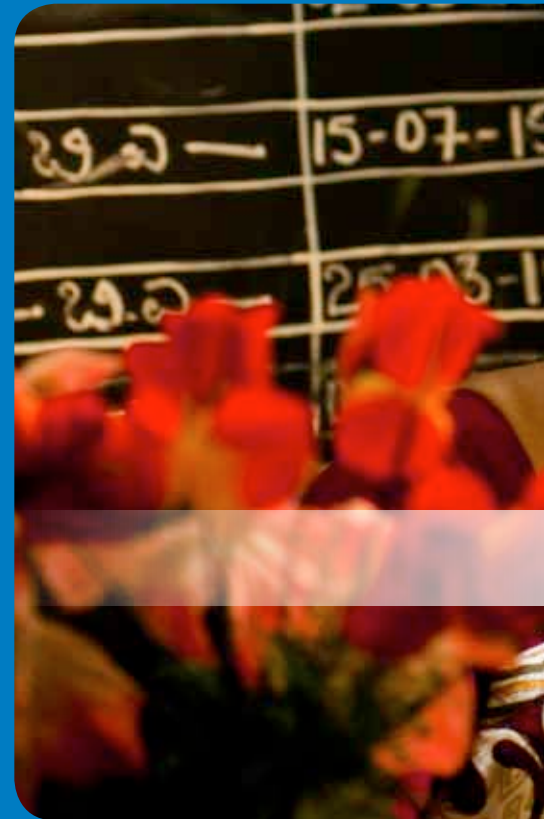
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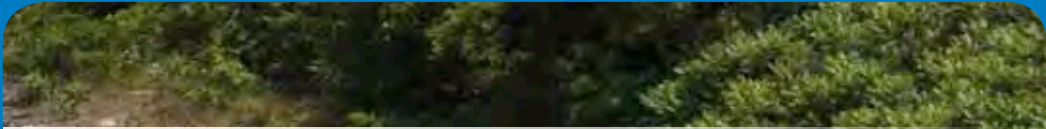




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## Message from Mike Duke



Michael T. Duke, President and Chief Executive Officer

### Walmart has a responsibility to lead

Together, we are doing big things. I am proud to share our 2013 Global Responsibility Report with you because of what we accomplished together this year – and I’m even more excited to share where we are going.

We were reminded again this year that Walmart has a responsibility to lead. We serve the emerging middle class around the world. Our customers are concerned with kitchen table issues, like whether they can afford to put healthier food on the table ... whether they can save a little money for a rainy day ... whether their kids can get a good education.



Our responsibility starts with these customers. They are fighting hard for their families, and we're fighting for them. The major challenges facing society today are too big and too complex for any one country or sector to solve alone. Walmart must do our part to give our customers better options and better lives.

And by working collaboratively with our many fantastic partners around the globe, we had a productive year. Here are a few of my favorite examples:

- Renewable energy now provides 21 percent of Walmart's electricity globally, and we became the largest on-site green power generator in the United States;
- Walmart and the Walmart Foundation are increasing training, market access and career opportunities for nearly 1 million women worldwide;
- Walmart and the Walmart Foundation gave more than \$1 billion to support organizations that impact local communities around the world;
- Walmart and the Walmart Foundation became the first partner of Feeding America to donate 1 billion meals (since 2005);
- We have saved our customers \$2.3 billion on fresh fruits and vegetables since 2011; and
- Walmart committed to hire any honorably discharged U.S. veteran in his or her first year off active duty.

You'll find more detail on these and all of our initiatives in this report.

### Where we are going

We are proud of what we have accomplished, but we know that becoming a more sustainable and more responsible business is a journey. And that journey continues. We have learned that there's not always a straight path to making big changes and that our first idea might not always be the best idea. We continue to adjust and improve, while remaining focused on achieving the results we are looking for.

### This year, we saw even more clearly where we are heading.

Going forward, you can expect even deeper integration of our responsibility initiatives into our business. This year, the Sustainability

Index has allowed us to put sustainability right at the heart of what we do as a retailer – buying and selling merchandise. The Index will cover 400 product categories next year and will influence the design of our private-brand products. We've gone from our broad commitment to sell more sustainable products to putting concrete tools into the hands of our merchants.

In many ways, we have passed a critical threshold. Because we have taken a systemic approach to scaling the Index, every person in our U.S. merchandising organization now has our responsibility initiatives as part of her or his annual objectives. That is only possible because they now have the tools they need to succeed.

Gave more than  
**\$1 billion**  
in cash and  
in-kind donations

Increasing  
opportunities  
for nearly  
**1 million**  
women  
worldwide

Globally  
**21%**  
of Walmart's  
electricity comes  
from renewable  
sources





More than  
**300,000**  
associates have  
worked for  
**10+**  
years



As we move ahead, you can also expect us to focus more on the areas with the biggest potential to make the biggest difference. An example is our pledge to significantly increase the amount we source from women-owned businesses – including \$20 billion of products and services for the U.S. alone. This is both where Walmart can have the biggest impact – through our purchase orders – and where we can have a huge impact on society. Women hire other women, mentor other women and create better communities around them, while keeping Walmart more connected to our customers.

We will also continue to strengthen our leadership on an industry-wide level. After all, what Walmart can do alone is significant, but what we can do together is even better. For example, our pledge to reduce salt, sugars and fats in the food we sell is driving changes at our suppliers and across the food industry. In October, a grant from the Walmart Foundation was given to help open an office of The Sustainability Consortium in China that will work at scale on the sustainability of products made in Asia – which, by the way, will help our competitors too. We're also making important commitments around renewable energy that will have ripple effects across the green power industry.

### Continued transparency

We are grateful to the hundreds, even thousands, of community groups, nonprofits,

universities, businesses and NGOs that are partnering with us on all of these efforts. Building these relationships will allow us to make our efforts sustainable and scalable, and hopefully to set a good example for others as well.

In these relationships and in this report, Walmart is committed to being open, transparent and sincere – when we get things right and also when we get things wrong. We recognize that some might still have concerns about our company, and we try our best to address those concerns in these pages. I want to spend a moment on three issues that may be on your mind.

The first is around our associates. We are proud of the jobs and opportunities we offer. Our U.S. turnover rate is lower than the industry average; our job satisfaction scores are higher than the industry average, and more than 300,000 associates have worked with us for more than 10 years. That's in part because at Walmart, you can climb the ladder from a stocker or a cashier to a department manager, a store manager and beyond. Especially in today's economy, that is a rare and important opportunity.

The second is the terrible tragedy in a Bangladesh garment factory last fall. Like you, we were saddened and disturbed by the senseless loss of life, and we renewed our dedication to being part of the solution. Over the past few years, we have taken



strong steps to ensure a more responsible supply chain – through training, ongoing audits, and high standards for suppliers. And we have instituted a zero-tolerance policy: we will terminate our relationship with any supplier engaged in unauthorized subcontracting. This is a tough but critical challenge – for us and others – and we recognize that the immense complexity of the supply chain requires us to partner with peers and stakeholders to find sustainable solutions.

The final area is compliance with the Foreign Corrupt Practices Act. We are committed to having a strong and effective global anticorruption program everywhere we operate and to taking appropriate action for any instance of noncompliance at any level of the company. We are taking a number of specific, concrete actions with respect to our processes, procedures and people to build a world-class compliance program in each of our markets. We are communicating regularly and clearly that it is our firm expectation that every Walmart associate will act with integrity at all times.

### **A stronger business**

Leading on big issues is not easy. But the rewards are greater than we thought possible when we set out on this journey. We do have a responsibility to lead, and we've found that our responsibility is also our opportunity.

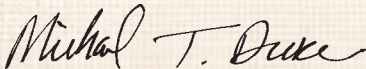
I hope you'll see one of Walmart's core convictions come to life in these pages – that what's good for society and good for business can be one and the same. More and more, we're finding ways to make them mutually reinforcing.

Whether it's offering customers more relevant products from women-owned businesses, or supporting more domestic manufacturing, or making the foods we sell healthier, or cutting our costs by running our truck fleet more efficiently, we believe that our work on these issues makes us a stronger business.

It drives our bottom line even more than we had expected, but not only that – it brings us closer to our customers. It helps us form strong partnerships with governments and communities in the countries where we work. And it reinforces our Walmart culture. Our associates take pride in knowing they are helping make a difference in the world.

I thank you for your time and interest in learning about Walmart's work over the past year and look forward to hearing your thoughts on how we can do even better.

Sincerely,



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

**We are  
building a  
world-class  
compliance  
program  
to produce  
a more  
responsible  
supply chain.**



# How Walmart made a difference in 2012

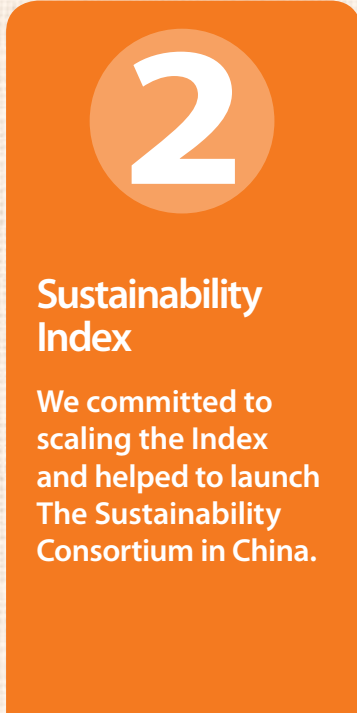
This is a detailed examination of our commitments, progress and challenges in the areas of social, environmental and company responsibility. We're committed to transparency and invite you to spend time with our report. But our customers constantly tell us that they're pressed for time. So, with that in mind, this is a sampling of the top ways Walmart made a difference in 2012.



1

## Giving

Walmart and the Walmart Foundation surpassed \$1 billion in giving worldwide.



## Sustainability Index

We committed to scaling the Index and helped to launch The Sustainability Consortium in China.



3

## Women's economic empowerment

Walmart and the Walmart Foundation are increasing training and opportunities for nearly 1 million women around the globe.



4

## U.S. manufacturing

We're committed to sourcing an additional \$50 billion in products in the U.S. over the next 10 years.

5

## Renewable energy

We've become the largest on-site green power generator in the U.S., according to the EPA Green Power Partnership.



## Hunger relief

Walmart and the Walmart Foundation became the first partner of Feeding America to donate 1 billion meals to fight hunger and feed families.

6



7

## Veterans

We project hiring more than 100,000 U.S. veterans over the next five years.

8

## Diversity

Nearly 28 percent of our corporate officers are women, compared with the Fortune 500 average of 14.3 percent.



9

## Healthier food

We've saved customers more than \$2.3 billion on fresh fruits and vegetables since 2011.

## Jobs and opportunity

About 77 percent of our store management teams in Walmart U.S. started as hourly associates.

10





# 1

Giving

## Surpassed \$1 billion in giving

Save Money. Live Better. We live by these words. But the work we do to help people live better goes beyond our store walls. Supporting organizations that positively impact local communities around the globe is something we consider part of our mission. We're proud that in FY2013, Walmart and the Walmart Foundation gave more than \$1 billion to make a difference in the big issues that matter to us all.

Total in-kind giving more than **\$775 million**

U.S. in-kind more than

**\$731 million**

International in-kind more than

**\$44 million**

Some examples of our giving in FY2013 include:

- Awarded more than 85,000 grants to support the work of organizations in local communities around the world.
- More than 73,000 low-income women in India, Bangladesh, Central America and the U.S. received job skills training.
- Walmart, Sam's Club and Logistics associates volunteered more than 2.2 million hours, generating \$18 million for local U.S. nonprofits.
- \$3.8 million in cash and in-kind support to those impacted by disasters across the U.S.

\$

Total cash giving more than **\$311 million**

U.S. cash more than **\$273 million**

International cash nearly **\$38 million**







## 2

## Committed to scaling the Index and launched TSC China

### Sustainability Index

We committed to scaling our rollout of the Sustainability Index – a tool to measure and drive the sustainability of products – and helped to launch The Sustainability Consortium (TSC) in China. At an event in Beijing on Oct. 25, 2012, we announced a series of new commitments to make our supply chain more sustainable, including:

- 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 Index to evaluate and share the sustainability of their products.
- Beginning in 2013, we'll use the Index to influence the design of our U.S. private-brand products.
- 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.

In a signature step to strengthen our commitment to a sustainable global supply chain, the Walmart Foundation also provided a \$2 million grant to support the launch of TSC in China. Through this gift, we hope that:

- Chinese researchers and local experts will engage together in the development of TSC's measurement and reporting systems.
- TSC will, through direct training and partnerships, build capacity for using TSC's tools to improve sustainability.
- Chinese retailers and suppliers will engage in TSC's global network of sustainability leaders to learn and share best practices.





## 3

## Increasing training and opportunities for nearly 1 million women

### Women's economic empowerment

Since launching our Global Women's Economic Empowerment Initiative in 2011, we've worked to leverage our size and scale to improve women's lives and opportunities. For Walmart, empowering women isn't just the right thing to do. It's smart business, helping us better understand and serve our customers, find the best talent and promote economic growth in the communities we serve.

One of many success stories has been the launch of our training program funded by the Walmart Foundation in factories in India and Bangladesh, with nearly 17,000 women trained to date. The training curriculum will be made an open source for others to use, and we will share what we've learned with stakeholders. Our aim is to strengthen this initiative by promoting collaboration among stakeholders and leveraging one another's knowledge and expertise to

make women's empowerment central to the manufacturing industry. As such, other retailers, brands and suppliers are welcome to replicate the program developed by NGO partners, Walmart and the Walmart Foundation, or to utilize the curriculum and tools in their own programs.

Like our efforts in sustainability, hunger relief and healthier food, Walmart and the Walmart Foundation are using philanthropy and our business model to empower women by increasing training, market access and career opportunities for nearly 1 million women, ensuring access to the economic opportunity they deserve.

For more information, visit  
[www.corporate.walmart.com/women](http://www.corporate.walmart.com/women).



# 4

U.S.  
manufacturing

## Sourcing an additional \$50 billion in products in U.S.

In January 2013, we committed to using our buying power to create more jobs in the U.S. by supporting more American manufacturing. We'll source an additional \$50 billion in products in the U.S. over the next 10 years by increasing our purchases in categories that we already buy here and help onshore U.S. production in high-potential areas. 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.





# 5

Renewable energy

## Recognized as largest on-site green power generator in the U.S.

In 2012, we were:

- Confirmed as the largest on-site green power generator in the U.S. by the EPA Green Power Partnership.
- Recognized by the Solar Energy Industries Association (SEIA) as having the most installed on-site solar capacity in the U.S.
- Received the Renewable Energy Leader of the Decade award from the American Council on Renewable Energy (ACORE).

From the installation of our first rooftop solar systems in California in 2007 and expansion into Hawaii, Arizona, Puerto Rico and Colorado, to our first solar shaded parking structures at a distribution center in Casa Grande, Ariz., our commitment to renewable energy has been visible from the beginning.

The past year marked a big one on our solar journey, as we installed solar projects in several new markets, including Massachusetts, Maryland, Ohio and Oregon. In June 2012, we completed our 100th solar installation in the state of California alone. Since 2007, we've completed more than 200 solar projects and hope to continue that trend, contributing significantly toward our goal of becoming 100 percent supplied by renewable energy.







“On behalf of the 37 million clients of Feeding America and our national network of food banks, I’d like to thank Walmart and its associates for helping us fight hunger together in our communities. The 1 billion meals you’ve donated to our network have helped bring nutritious food to families across the country. We’re grateful for your partnership and look forward to working side-by-side with you and your associates as we continue to feed those in need.”

—Bob Aiken, president and CEO, Feeding America

# 6

Hunger  
relief

## First partner of Feeding America to donate 1 billion meals

In 2012, Walmart and the Walmart Foundation became the first partner of Feeding America to surpass 1 billion meals donated. This milestone is the result of seven years working alongside Feeding America to fight hunger in the U.S. That’s enough to fill 31,250 semitrailers with food, enough trailers to stretch from Washington, D.C., to Richmond, Va.

According to the most recent data from the U.S. Department of Agriculture, at some point in 2011, more than 50 million people in the U.S. struggled with hunger. Of that number, more than 16 million were children. Walmart and the Walmart Foundation know this is a big issue and, as the world’s largest grocer, we’re uniquely positioned to help. By collaborating with organizations such as Feeding America and Share Our Strength, we’re leveraging our size and scale to provide nutritious food and resources to make a difference.





# 7

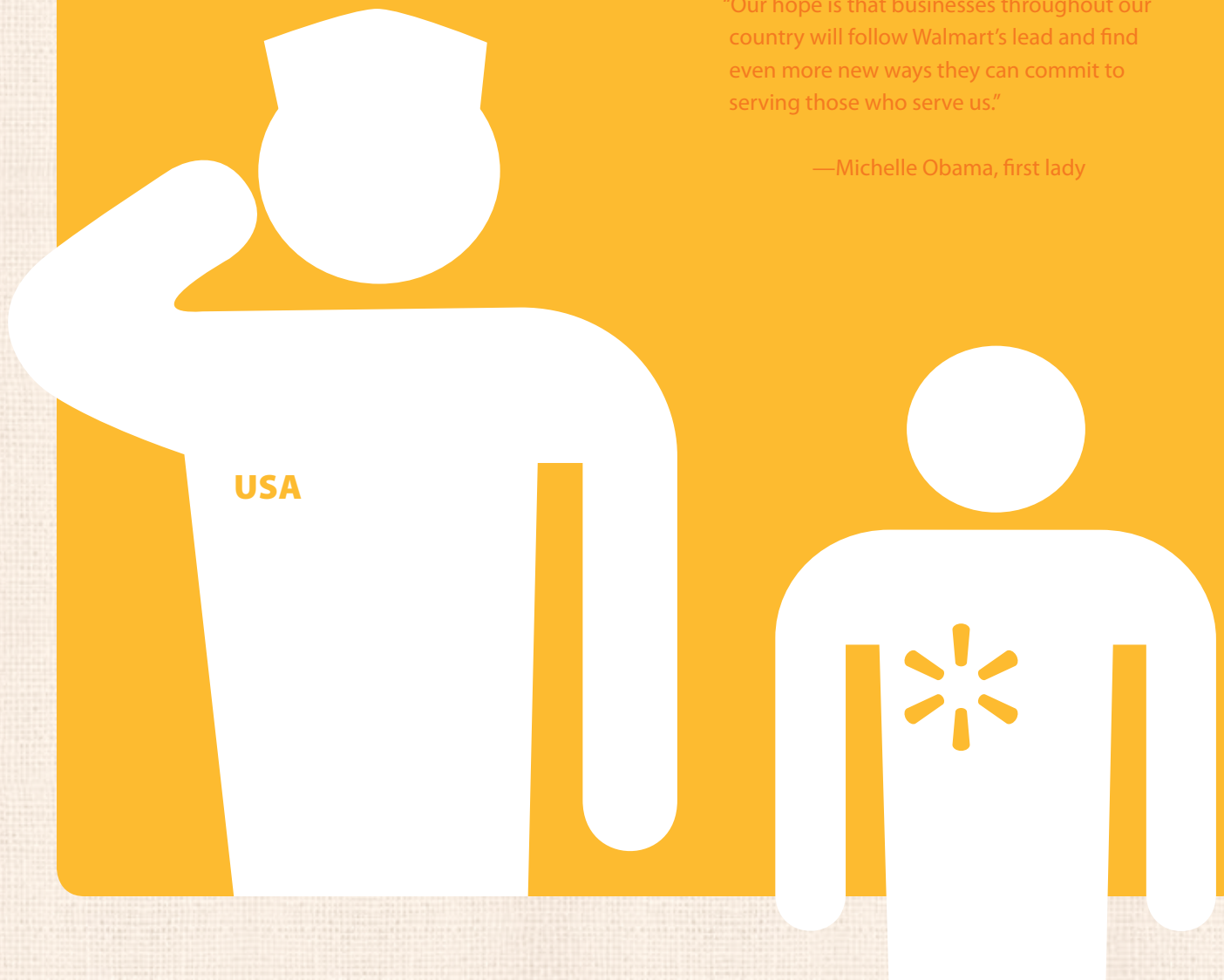
Veterans

## Hiring more than 100,000 U.S. veterans over 5 years

Beginning Memorial Day 2013, we've committed to offering a job to any honorably discharged U.S. veteran within his or her first 12 months off active duty. Not every returning veteran wants to work in retail, but every veteran who does will have a place to work. We project hiring more than 100,000 U.S. veterans over the next five years. Most of these jobs will be in our stores and clubs, and some will be in our distribution centers, e-commerce and corporate office locations.

"Our hope is that businesses throughout our country will follow Walmart's lead and find even more new ways they can commit to serving those who serve us."

—Michelle Obama, first lady







8

Diversity

**Counted nearly 28% of corporate officers as women, nearly double the Fortune 500 average**

Our commitment to diversity is deeply rooted in more than five decades of rich history and culture. We strive to be a great place to work for all people. By embracing the diversity of our associates, we maximize our talents and deliver innovative solutions to business challenges.

We continue to make strides in establishing a workforce that's reflective of our customers. One such area has been female representation, compared with Fortune 500 companies and the retail industry in general, as illustrated below:

#### Women at Walmart: How we compare

Position	Fortune 500	Retail	Walmart
Board Directors	16.6%	18.3%	<b>23.5%</b>
Executive Officers	14.3%	17.9%	<b>27.5%</b>
Labor Force	46.9%	48.3%	<b>57.2%</b>

(Sources: Fortune 500 – <http://www.catalyst.org/knowledge/us-women-business-0>;  
Retail – <http://www.catalyst.org/knowledge/women-us-retail-trade-0>; Walmart – data as of 1/31/13.)



## 9

## Healthier food

## Saved customers more than \$2.3 billion on fresh fruits and vegetables since 2011

Walmart U.S. continues to realize significant progress on its efforts to make food healthier and healthier food more affordable. Over the past two years, we've:

- Saved customers more than \$2.3 billion on fresh fruits and vegetables.
- Opened 86 stores in neighborhoods with limited access to nutritious produce.

Our customers are also finding it's easier than ever to identify healthier food options with the rollout of our Great For You icon. Backed by rigorous nutrition criteria, this front-of-package icon is designed to help customers quickly find healthier choices. More than 1,300 Walmart Great Value and Marketside items, as well as fresh and packaged fruits and vegetables, will feature the Great For You icon in 2013.





10

Jobs and  
opportunity

## About 77 percent of our store operations management teams in Walmart U.S. started as hourly associates

More than three-quarters of our store operations management teams in Walmart U.S. started as hourly associates, and they earn \$50,000 to \$170,000 annually. In 2012, we promoted approximately 180,000 Walmart U.S. and Sam's Club associates to jobs with more responsibility and higher pay.

We want every associate to find the career opportunities they want with Walmart. We're ensuring that part-time associates have visibility into full-time job openings in their stores and nearby stores, and that they have the first opportunity at those jobs. We're also bringing more transparency to our scheduling system so that part-time workers can choose more hours for themselves.





# Progress at-a-glance

## Environmental responsibility

### Energy

Be supplied by 100 percent renewable energy.

As of 2012, Walmart-driven renewable energy projects and purchases provided about 4 percent annually of our buildings' electricity needs. The grid supplied another 17 percent, for a total of 21 percent renewable electricity.

Double fleet efficiency in the U.S. by October 2015 (2005 Baseline).

Walmart U.S. Logistics has achieved an 80 percent improvement in fleet efficiency over our 2005 baseline. Improved equipment, technology and increased system capabilities drove a 10 percent increase in 2012.

Reduce greenhouse gases (GHGs) at our existing store, club and distribution center base around the world by 20 percent (2005 Baseline).

At the end of 2011 (the most recent year for which we have complete data), we had achieved this goal (20.02 percent reduction) and anticipate further progress from 2012.

### Waste

Eliminate landfill waste from U.S. stores and Sam's Club locations by 2025.

Even as our retail sales and square footage continue to increase, Walmart U.S. improved to 80.9 percent reduction in 2012. Sam's Club U.S. improved to 77.3 percent reduction in 2012.

Reduce our global plastic shopping bag waste by an average of 33 percent per store by 2013 (2007 Baseline).

We exceeded the target by reducing plastic bag waste across our global operations by 38.1 percent, or approximately 10 billion bags.

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).

While considerable attention is being paid to producing more food to meet growing population demands, one of the most immediate and effective ways to alleviate some of the pressure is to waste less of what we already have. One example of our progress in this area is our ASDA operations aligning with the U.K. government's Courtauld Commitment to eliminate 2,455 tonnes of food waste through better forecasting in our fresh department and another 1,059 tonnes by reducing back-of-house inventory.

### Products

By the end of 2012, we'll require that 95 percent of direct import factories receive one of the two highest ratings in audits for environmental and social practices.

Since the announcement of this goal in 2008, we've increased the percentage of green and yellow direct import factories by more than 12 percent and surpassed our goal in 2013 by achieving 96 percent.

In the U.S., Walmart will require all fresh and frozen, farmed and wild seafood products sold at Walmart and Sam's Club to become certified as sustainable by a third party using Marine Stewardship Council (MSC), Best Aquaculture Practices (BAP) or equivalent standards.

97 percent of our farmed fish is BAP certified. The remaining 3 percent are low environmental risk fisheries such as trout, oysters, clams and mussels, where there are no certification standards available.

Walmart will require sustainably sourced palm oil in all of our private-brand products globally by the end of 2015.

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 of their 2012 palm usage.



## Social responsibility

### Women's economic empowerment

Empower women on farms and in factories through training, market access and career opportunities. By the end of 2016, in emerging markets, train 500,000 women in the agriculture value chain.

By the end of 2012, we'd trained approximately 150,000 farmers and farm workers, of which about 33,000 were women. We funded new projects in India, Nigeria and China during 2012 and will continue to identify and support additional projects.

Scale our successful retail training programs to help 200,000 women internationally.

In April 2012, we announced an innovative partnership with the Inter-American Development Bank (IDB) and major multinationals to train as many as 1 million youth, half of which will be women, for their first job over the next 10 years in the Western Hemisphere. We'll contribute our successful retail training curriculum to the initiative and will work with the IDB to pilot retail training programs for women throughout the Hemisphere. Through funding from the Walmart Foundation to the International Youth Foundation, the translation of the Brazilian curriculum materials into Spanish, English and Chinese is complete, and we'll implement pilot programs in Argentina, Chile and Mexico this spring.

Work with professional service firms and merchandise suppliers with more than \$1 billion in sales to increase opportunities for women and minorities on Walmart and Sam's Club accounts.

In the U.S., we've developed an online database to track gender and diversity representation for the Walmart account among major suppliers. We're educating suppliers and working through pilot programs to determine the best approach to achieve our target results. Internationally, we've communicated the program with local markets and identified owners for the program. We'll begin the program with global suppliers.

### Healthier food

Save customers at least \$1 billion a year on healthier foods, including reduced prices on produce and parity pricing on healthier foods and beverages.

By the end of FY2013, we achieved \$1.2 billion in savings, bringing the total savings for customers to \$2.3 billion over the first two years of the program.

Open between 275 and 300 new stores in or near food deserts by 2016. Increase access to fresh and healthier foods for Americans.

By the end of 2012, we'd opened 86 new Walmart stores in or near food deserts since July 2011. As a result, more than 264,000 Americans now have better access to healthier food.

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 compared to a January 2008 baseline.

Since 2008, industrially produced trans fats were reduced by 50 percent. Less than 10 percent of foods and beverages we sold in 2011 contained industrially produced trans fats. Surpassing our goal, sugars have declined by more than 10 percent since 2008 as a result of reformulated products, new healthier products coming into the marketplace and customers making healthier choices. Between 2008 and 2011, we decreased sodium by 13 percent across the commercial bread category. This is equivalent to removing more than 1.5 million pounds of salt from the market baskets of our customers.

### Hunger relief

Through 2015, award \$250 million in hunger relief grants at the local, state and national levels.

Since our commitment, Walmart and the Walmart Foundation have donated more than \$180 million in hunger relief grants.

Mobilize Walmart associates and customers.

Last year, through both online and in-store initiatives, we engaged associates and customers in the fight against hunger. In April, consumers voted to determine the 21 communities across the nation to receive \$2 million in grants. In September, more than 13,000 customers participated in our Golden Spark contest, which awarded over \$2.5 million to Feeding America food banks and numerous hunger-relief agencies nationwide. Associates continue to step up to fight hunger, volunteering more than 67,000 hours in 2012 alone.

Collaborate with government, food manufacturers, other foundations and corporations.

To further our impact on hunger in America, Walmart and the Walmart Foundation are collaborating with suppliers, government, food manufacturers and others. In 2012, supplier participation in our in-store campaigns more than doubled, increasing from four to nine. These suppliers donated more than 8 million meals to feed hungry families.






## Social responsibility







**W**e 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. One community at a time.



# Ethical Sourcing

## Positioned for leadership

**Helping people live better has always been core to our mission. It applies to our customers, associates and the workers who make the products we sell. Ethical sourcing is such an integral part of our culture and continuing priority that we've operated an entire department since 1992 to verify that those in our global supply chain are provided a safe working environment and treated with dignity and respect. We recognize the complexity of the supply chain and continue working to initiate positive change via three broad strategies: auditing, training/education and collaboration.**



“Walmart’s participation in various sustainability programs, such as the toy industry, to improve labor conditions, as well as health and safety issues, through the ICTI CARE process; and its role in the GSCP, which aims to improve working and environmental conditions in the supply chain, through knowledge-sharing, sends a positive message of engagement.”

– Amir A. Dossal, chairman, Global Partnerships Forum

As part of our Ethical Sourcing program, audits are conducted by third-party firms to verify that suppliers and their factories are complying with our rigorous supplier standards. We engage with suppliers and their factories to assist them in addressing any issues detected through the audit and to guide them in implementing processes to prevent violations before they happen.

We understand audits alone don’t provide lasting solutions to the complex issues that are part of the global supply chain. Through our Supply Chain Capacity Building and other training programs, we’re dedicated to helping our supplier partners build the capacity necessary to not only improve workplace practices and working conditions, but ultimately improve factory management’s ability to move beyond compliance and toward sustainable change.

We recognize that our commitment to responsible sourcing requires partnerships with various stakeholders across the industry. We’re committed to actively partnering with industry peers and suppliers, as well as nonprofits, NGOs and government stakeholders to address supply chain challenges and collaborate on solutions. As we engage, we listen to feedback from our stakeholders and work to incorporate recommendations where possible to make our program better. Our goal is to positively impact global supply chain practices by raising our own standards and by sharing our experience, knowledge and ideas with other retailers, brands and stakeholders.



## Ethical Sourcing's 10 most impactful programs of the past 10 years

Each year, we learn ways we can make our Ethical Sourcing organization more effective in improving conditions for workers in our supply chain, and each year we put programs in place to ensure we're making measurable progress. Below is a high-level overview of 10 of those programs, implemented since 2003. It's important that we position ourselves to lead on the issues that matter most. That way we'll continue to fulfill our mission of helping people live better today and for years to come.

### 1 Supply Chain Capacity Building

This comprehensive supplier and factory training program was developed to help those in our supply chain understand our standards and become better equipped to meet them. Participants have said they not only gained a better understanding of how to comply with social and environmental requirements, but have also implemented best practices as a result of the sessions.

### 2 Worker safety initiatives

Going above and beyond general workplace health and safety, we've set new industry standards for on-site living quarters and dining facilities, and continue to require adherence to much more stringent chemical and machine safety criteria. In 2013, we built upon our existing fire safety programs by announcing strengthened fire and electrical safety audit requirements, as well as expanded fire safety training in Bangladesh.

### 3 Women's empowerment

As part of Walmart's Global Women's Economic Empowerment Initiative, we launched the Women in Factories training program, created in 2011 to educate 60,000 women working in India, Bangladesh, China and Central America. The curriculum is centered on the core competencies necessary to be more successful in the workplace, at home and in the communities. The training program is funded by grants from the Walmart Foundation and is being facilitated by local nonprofit organizations in partnership with factory management.

### 4 Community investment

A grant was given to the Asia Foundation in support of a scholarship program for migrant workers in China. Vocational training in Africa and primary education in India were funded through our partnership with HOPEworldwide. Our focus on sourcing communities began in 2006 and continues today in partnership with CARE, Swasti and World Vision, to name a few.

### 5 Anti-human trafficking

We partnered with multiple industry-recognized experts and NGOs in an effort to learn more about the indications of human trafficking and slavery. We're actively working on related issues, including the Sumangali Scheme in India and migrant workforce challenges in Thailand, Jordan and the U.S.

### 6 Stakeholder engagement

In 2004, we began proactive outreach to build relationships with industry peers and suppliers, as well as nonprofit, NGO and government stakeholders, allowing us to broaden and enhance our efforts to positively impact the global supply chain.

### 7 95 percent green/yellow factories

Since the announcement of the goal in Beijing in 2008, we've increased the percentage of green and yellow direct import factories by more than 12 percent and surpassed our goal in 2013 by achieving 96 percent.

### 8 Global Social Compliance Program (GSCP)

We're one of five founding members of GSCP and the first retailer to have completed the equivalence process. This is the first step toward audit sharing with other retailers and brands, which should lead to significant reduction in audit duplication in facilities worldwide.

### 9 Retail market compliance

Targets are created for each retail market to measure improvement in the percentage of green- and yellow-rated facilities. By setting these goals, we're able to successfully encourage our global markets to work with suppliers whose factories demonstrate compliance.

### 10 Color-coded factory rating system

In 2003, we created a color-coded system to rate factories based on severity of audit results. By assigning a color rating to factory audits, we're able to communicate clearly to both internal and external stakeholders regarding the compliance of our suppliers' facilities.



## Ethical Sourcing *continued*



### Delivering on our commitments to improve standards for workers around the world

**In 2008, we took a landmark step in our sustainability journey by hosting an unprecedented gathering of more than 1,000 leading suppliers, Chinese officials and NGOs in Beijing, China. There, we set aggressive goals intended to drive responsibility and transparency into our supply chain. We made it clear that we expected firm commitments from our suppliers to meet strict social and environmental standards, for them to be open to rigorous audits and to publicly disclose all appropriate information.**

**Goal: 95%+**

Percentage of direct import factories that received one of our two highest ratings in audits for environmental and social practices

**Progress: 96%**

Achieved by Jan. 31, 2013

Now in our fifth year since the summit in Beijing, we've accomplished each of our original goals, and continue to leverage our size and scale to bring meaningful improvements to suppliers' facilities, workers and communities they impact.

factories, and the broadened and accelerated rollout of our capacity-building programs. Walmart is committed to sourcing ethically and responsibly, and we continue to enhance and refine our programs so we can sustain the goal we've achieved.

#### Retail market compliance

We set annual targets in each retail market for facilities that will receive one of the two highest ratings in audits for social and environmental practices. We created baselines after initial audits were conducted of facilities within the scope of our Ethical Sourcing program. Appropriate stretch goals are set for each global retail market to achieve, based on the previous year's performance result. Our Ethical Sourcing and merchant teams work together to achieve these results.

Of our 11 retail markets, 10 attained or exceeded their percentage goal this year. The international retail markets have collectively shown an 8 percent improvement in green and yellow ratings. The U.S. retail market continues to perform well and demonstrated improvement of nearly 3 percent.

Walmart is committed to sourcing ethically and responsibly, and we're working diligently to sustain the progress we've achieved by enhancing and refining our programs. Additional disclosure requirements, accompanied by the implementation of our zero-tolerance policy, are expected to cause a significant increase in the number of facilities disclosed for our Ethical Sourcing audits. This will likely impact the percentage of green and yellow facilities we're tracking because some of the newly disclosed facilities may undergo their first social and environmental audit as a result. We'll utilize our capacity-building training modules to orient facilities and suppliers to our program and to equip them to improve upon any noncompliances identified.

#### Direct import goal achieved

In January 2013, we achieved the goal that at least 95 percent of our direct import factories receive one of our two highest ratings in audits for social and environmental practices. In fact, we surpassed our goal by reaching 96 percent, but not without facing challenges along the way.

For example, when a factory doesn't manage capacity planning effectively, this can lead to increased working hours and even unauthorized subcontracting, especially in peak production periods. Working with our Sourcing and Merchandising partners, we seek to influence suppliers or factories with recommended improvements. Our training programs – such as the modules in our Supply Chain Capacity Building program – help educate suppliers on the reasons for these changes. However, at times, we have to make the difficult decision not to proceed with certain suppliers and factories when they're unwilling to make necessary improvements.

Our success is built on coordinated internal efforts, which include associate education on Ethical Sourcing and Holistic Sourcing Practices, communication of expectations to suppliers and



## Setting expectations

**Our Standards for Suppliers are Walmart's fundamental expectations of our suppliers and their factories on the treatment of workers and impact on the environment. They also provide the framework for the audits that measure how well suppliers are meeting our expectations. We ask suppliers to familiarize themselves with the Standards for Suppliers Manual that outlines obligations in meeting the standards and provides details on the audit process.**

Suppliers are required to display the Standards for Suppliers poster in the local language(s) in the common areas of their factories and must adhere to them in order to continue doing business with Walmart. The Standards for Suppliers are updated regularly and include, but aren't limited to, the following provisions:

- No forced or child labor
- No discrimination
- Wages and benefits must meet country law
- Appropriate hiring and employment practices are in place
- Labor hours are consistent with the law and not excessive
- Freedom of association and collective bargaining upheld according to law
- Health and safety of workers
- Environmental compliance

To view our Standards for Suppliers Manual, go to: [corporate.walmart.com/global-responsibility/ethical-sourcing](http://corporate.walmart.com/global-responsibility/ethical-sourcing).

### Audit process

Facility audits are conducted by accredited and internationally recognized auditing firms and are based on our Ethical Sourcing scope. Every 6 to 24 months, a facility undergoes an audit, depending on the findings from the previous audit. The audit result is assigned a

color rating by the Ethical Sourcing team based on the type and severity of violations found. Initial factory audits are announced, with all subsequent audits being unannounced.

In 2012, 11,568 audits on 10,035 factories were conducted to verify that our suppliers were adhering to our Standards for Suppliers. Of these, 965 were conducted through the ILO/IFC Better Work Program or the International Council of Toy Industries CARE Process. We choose to participate in these programs in an effort to reduce audit duplication and because of program remediation components.

During 2012, we required our suppliers to cease production in 214 factories due to serious violations. A list of facilities not authorized to source merchandise for Walmart will be made available on our internal Retail Link system and on our corporate website.

### Maintaining integrity

We take steps to ensure that all factory audits are conducted with integrity. Audits are conducted by internationally recognized and accredited third-party audit firms. These approved audit firms are required to complete the equivalence process for the auditing competence portion of the Global Social Compliance Program.



**11,568**  
audits conducted on  
**10,035**  
factories in 2012

**214**  
factories ceased  
production due to  
serious violations  
in 2012



## Ethical Sourcing *continued*

### Developing solutions together

“Full Circle Exchange (FCE), in partnership with Gahaya Links, supplies handcrafted baskets to Walmart.com. Gahaya Links is a women-owned business that works with cooperatives located throughout Rwanda to weave baskets and produce home decor, apparel and accessories. The business began shortly after the genocide in Rwanda and has been instrumental in helping bring together Hutu and Tutsi women through the marketplace.

“Following an audit of the cooperatives and the factory where the baskets were produced, we had the opportunity to meet in-person with the founder and CEO of Gahaya Links. We brainstormed ways necessary improvements could be implemented while still respecting the culture of the women involved. It was both an inspiring and humbling conversation.”

“All of us agreed that the relationship being built among FCE, Gahaya Links and Walmart could bring meaningful change to the supply chain.”

– Mark Priddy, CEO/co-founder Full Circle Exchange

Additionally, we implemented an industry-best practice to conduct a percentage of validation audits that verify the accuracy of third-party audits. These reaudits are conducted by the Walmart Ethical Sourcing Special Audit Team within 30 days of the last audit and follow the same protocol. We utilize this process to drive consistency in execution of our audit processes and protocols.

Whenever issues surface related to integrity, these matters are reported to our Global Ethics team, which initiates an investigation by our Corporate Investigations team.

#### *Worker helpline*

In addition to the audit process, violations of our Standards for Suppliers can be reported by factory workers confidentially and in their local language. On the Standards for Suppliers poster that factories are required to display, there's a toll-free telephone number, e-mail address and website that workers can use to anonymously report violations and concerns. All reports are collected by a third party and directed to our Global Ethics office, where they're referred for investigation and, if necessary, corrective action.

#### **Informal supply chain**

We're beginning to identify ways to validate that our Standards for Suppliers are met in informal supply chain settings where people may work in small community centers or out of their homes. Recently, we've engaged one-on-one with specific suppliers to gain a better understanding of these supply chains and the related challenges. Certain products, such as woven items, require skilled production by hand and are often produced outside of a factory setting.

We worked closely over several months with one supplier, whose supply chain in China is made up of factories and home-based production sites, to learn the details of its manufacturing processes. Through this exchange, we were able to provide guidance on management systems that

were needed to validate compliance with our standards. The supplier understood the importance we place on being able to verify that workers receive appropriate wages and benefits. As a result, the supplier implemented more robust procedures for recording wage payments and collecting age documentation and verification. They also utilize signed contracts with home workers that confirm our standards have been communicated to workers individually.

In some countries, woven baskets are produced in cooperatives where much of the work is done in community centers or in homes. As part of our efforts to understand the informal supply chain, we worked closely with one such supplier to identify ways to integrate our Standards for Suppliers into their supply chain in a culturally sensitive way.

We've also begun engaging with various stakeholders to find ways to harmonize strategy and activities into an industry approach. As part of this effort, Walmart is collaborating with the Alliance for Artisan Enterprise, a group formed by the U.S. State Department and the Aspen Institute, to examine how to embed ethical sourcing principles into working with small businesses. We look forward to continuing such dialogue with our suppliers, expert organizations, NGOs, other retailers and brands to develop solutions that work well across the informal supply chain.



## Education and training initiatives

### Supply Chain Capacity Building

We're committed to working with our supplier partners and their factories to help them develop the capability to improve working conditions by investing in education, training and operational efficiencies. In 2012, we created our Supply Chain Capacity Building (SCCB) program, which brought together established training modules (Orange School Program, Supplier Development Program and Supplier Round Table) and newly developed modules (Factory Audit Orientation and Violation Correction Training) into a well-rounded collection of instructional curriculum.

The SCCB program components vary from half-day group training sessions to several months of one-on-one engagement with suppliers and factories. Topics range from Ethical Sourcing orientation to managing issues that are regionally specific to developing systems that encompass many facilities within a supplier's manufacturing base.

SCCB is an integral part of our overall strategy to effect continuous and sustainable improvement within the facilities that produce our merchandise.

### Factory Audit Orientation

Factory Audit Orientation is a training program that prepares new factories and associated suppliers for participation in the Ethical Sourcing program through training in the following areas:

- Walmart's Standards for Suppliers
- Social and environmental compliance
- Enhanced fire safety standards and 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

### Violation Correction Training

Factories with higher-risk observations are requested to attend Violation Correction Training so they can gain a better understanding of the Walmart Ethical Sourcing program requirements and Standards for Suppliers. The training addresses common trends related to social and environmental compliance, while focusing on topics based on relevance to the attending factory location or industry. Factories become equipped through root cause analysis and corrective action plan development to remedy potential violations and work toward achieving acceptable audit ratings.

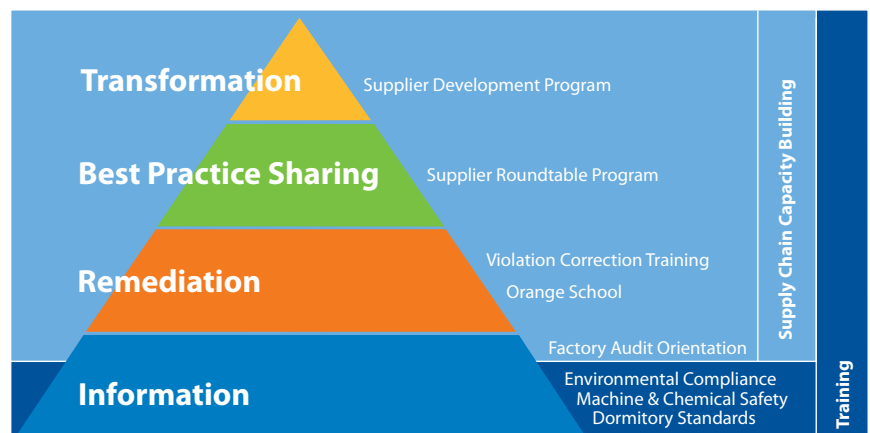
### Orange School Program

The Orange School Program is an advisory training program aimed at selected factories and suppliers. The program provides one-on-one, hands-on training to resolve high-risk social and environmental violations. Factory management is taught a systematic approach to continuous and sustained improvement, utilizing root cause analysis methodology, along with procedures for early detection of noncompliances. The importance of ongoing self-monitoring between audits is emphasized.

**1,742 factories and 497 suppliers participated in Factory Audit Orientation Training in 2012**

**985 factories and 347 suppliers participated in Violation Correction Training in 2012**

**181 factories participated in the Orange School Program in 2012**





## Ethical Sourcing *continued*

**437 suppliers**  
**352 factories**  
**participated in the**  
**SRT program**

**“[By] implementing the Supplier Development Program in our company ... we’ve strengthened our ethics and business practices throughout our supply chain. Our Pack Houses have improved communication with workers, have built trust and improved productivity.”**

– Natalia Aranciba,  
certifications chief,  
GESEX S.A., Chile

### Supplier Development Program

Through our Supplier Development Program (SDP), Walmart has committed to work proactively with our supplier partners to help them improve standards and manage their factories more effectively. The program provides valuable training focusing on key outcomes such as empowering workers and developing effective communication with factory management.

In 2012, we partnered with approximately 100 new suppliers and worked with our suppliers who graduated in 2011 to bring additional factories into the program. As we go forward, we’ll continue as guides and advisors for these graduated suppliers as they embed systems into their other factories, taking the program to a sustainable position.

This program continues to promote improved working conditions around the globe with more than 300 suppliers having participated in the program to-date, touching the lives of thousands of workers in our supply chain.



Jarden Consumer Solutions was the first supplier to graduate from our Supplier Development Program. Their participation in the initial pilot phase of the program assisted us in determining that the framework was practical and workable. Strong internal monitoring and social compliance performance systems enable

Jarden’s factories to focus on continuous improvement in their supply chain. To date, Jarden has had a total of 12 factories complete the SDP.

Another supplier, Stanley Black & Decker, has been involved in the SDP from the beginning and will have 10 factories enrolled as of early 2013. This supplier focuses on relaying its learnings through best practice sharing and training factory management throughout its supply chain. Stanley Black & Decker has worked to improve social and environmental practices within their factory base since 2003.

### Supplier Round Table

The Supplier Round Table (SRT) program is a forum for our suppliers, factories and stakeholders within sourcing regions to come together to discuss concerns that impact social, economic and environmental aspects of their operations and to learn best practices from each other. In general, round-table meetings focus on Ethical Sourcing goals and objectives and current issues that are relevant to that region. Previous topics have included: management of contract and migrant labor, fire safety, environmental requirements and best practice sharing on energy efficiency.

**“Walmart and Jarden Corporation are working toward a unified goal, and through this partnership we’re able to shift from a compliance-based program to one that’s performance-based with long-term sustainable improvements.”**

– Chris Akins, vice president,  
Global Security and Social Compliance,  
Jarden Corporation



## Environmental responsibility

Our initiative to include environmental compliance in audit standards began with the commitment that Mike Duke made at the Beijing Sustainability Summit in 2008, when he stated: “Our audits will now include a focus on specific environmental criteria – including a factory’s air emissions, its wastewater, discharges, and its management of toxic substances and hazardous waste disposal.”

The environmental standards are based on mandatory compliance with legal requirements. Demonstration includes the full set of approved permits, in addition to monitoring reports as required by law and validated by independent audits. The

standards also promote the maintenance of inventories to track resource use and greater environmental efficiency, as well as implementation of best industry practices.

We worked closely with AECOM, a leading environmental management consulting firm, to develop extensive training materials in English, Spanish and Mandarin, which are available to suppliers. More than 3,000 factories around the world were trained by our Ethical Sourcing teams between 2010 and 2011. Factories continue to receive training on the environmental component of our audits through our capacity building programs.

**In China, we’ve joined forces with the Institute for Sustainable Communities’ Environment, Health and Safety Academy to provide cost-effective and practical training to factory mid-level management. We’ve also partnered with the Institute of Public & Environmental Affairs (IPE), an environmental NGO in China that aims to curb environmental pollution in China’s manufacturing hubs by integrating transparency and raising stakeholder awareness in the supply chain. In 2012, Walmart was ranked fourth out of 48 international brands and retailers for efforts to improve environmental compliance in the supply chain in China.**

IPE uses government-sourced data to identify factories in China that fail to meet legal standards related to air and water pollution, making the list of noncompliant factories publicly available. Since 2009, when the first factory in our supply chain was removed from the IPE database, through our efforts, we’ve successfully worked with suppliers to remove 35 total factories. The impact is less about the number of factories removed and more about the number of communities that benefit from reduced pollution as a result.

Today, we’re actively involved with a number of additional factories that we anticipate will be removed in the coming year.

**“Walmart has continued to proactively use the Pollution Map Database to screen their suppliers in China. We hope that as a leading global brand, Walmart can meet rising public expectations and encourage more partners and suppliers in China to disclose pollution discharge data and enhance environmental performance.”**

– Ma Jun, director,  
Institute of Public and  
Environmental Affairs

In 2009, we developed our standards on the basis of the Environmental Reference Framework of the Global Social Compliance Program (GSCP), which covers nine areas, touching on all aspects of the factory’s operating environment:

- Waste management
- Wastewater and effluents management
- Air emissions management
- Water management
- Energy use and greenhouse gas (GHG) management
- Land use and biodiversity
- Environmental management system
- Hazardous substances management/soil and groundwater pollution prevention
- Noise pollution



## Ethical Sourcing *continued*



### Women's Economic Empowerment Initiative

**"I'm 46 years old and I feel being empowered at this age isn't too late because a woman plays various roles in her life. What I've learned in this training will help me justify those roles."**

**—Foundational Training participant, Pointec Pens, Bangalore, India**

Supplier round tables are held quarterly in India and Bangladesh with factories participating in women's empowerment and have been valuable to the success of the program. Factory workers engage directly with factory management, raising their confidence and building bridges of communication. The leadership and human resource teams from the factories also have the opportunity to dialogue and share learning. A session in Bangladesh led to one factory helping another create plans for scheduling training sessions around production. The first factory had overcome similar challenges and was able to help the second factory become more successful in the Global Women's Economic Empowerment Initiative.



For a video related to our Women in Factories program, go to the online version of this report at <http://corporate.walmart.com/microsites/global-responsibility-report-2013>.

### Women in Factories training program

In 2011, Walmart and the Walmart Foundation launched an initiative to empower women in factories. This is a five-year initiative that will train women who work in industries where the workforce is predominantly female. Together with NGO partners, we're helping establish women's empowerment programs in 150 facilities in India, Bangladesh, Central America and China. As a first step, 60,000 women will receive Foundational Training to provide them with the core competencies necessary to be more successful in the workplace, at home and in their communities.

Through this Foundational Training, women are learning fundamental life and work skills, such as health and communication. From this group, 8,000 high-potential women will be offered Advanced Training, which includes management and leadership skills training, in addition to more in-depth instruction on work and life skills. Obtaining these skills can enable women to become better advocates for themselves.

The training curriculum, developed by CARE, will be made open source for others to use, and Walmart and the Walmart Foundation will share training tools and learning with the public. The aim is to strengthen the manufacturing industry by making women's empowerment central to it, through promoting collaboration among stakeholders

and leveraging each other's knowledge and expertise. As such, other retailers, brands and suppliers are welcome to replicate the program developed by NGO partners, Walmart and the Walmart Foundation, or utilize the curriculum and tools in their own programs. Because many of the participating facilities are shared with other brands and retailers, the industry as a whole can benefit from the program.

Implementation is facilitated by Swasti in India, by CARE in Bangladesh, and by World Vision in El Salvador and Honduras. In 2012, we began working with 15 factories in India and 15 factories in Bangladesh, with 16,667 women and 4,310 men having received foundational training to date. Program implementation will begin in Central America in 2013 and in China in 2014. The program is being evaluated by Northwestern University in partnership with Development Alternative International (DAI) and Mission Measurement.

Ultimately, the objective is for factories to operate self-sustaining training programs where work environment will be more receptive to promotion and inclusion of female work talent through engagement with both factory management and the male worker population. A final result would be a pipeline of female talent in each facility.



**“CARE is proud of our partnership with Walmart to enhance skills and improve opportunities for female factory workers in Bangladesh. We’ve implemented workforce engagement initiatives for more than a decade, and we’re pleased the curriculum from this program will be available to other buyers and factories around the world for free. Women are key to ending the cycle of poverty, and it’s vitally important that they have the opportunity to realize their full potential. This program will empower 60,000 women factory workers and make a sustainable impact in their families and communities.”**

**– Dr. Helene D. Gayle,  
president and CEO,  
CARE USA**

### Program curriculum

Program curriculum was developed by CARE and contextualized, thus far, for Bangladesh and India by CARE and Swasti, respectively. When the program begins in a factory, all men and women who work on the production line participate in Foundational Training. In addition, implementing partners work with local nonprofit organizations to provide services such as literacy training.

#### *Foundational Training (15 hours)*

- Understanding and utilizing your strengths
- Managing stress and time
- Effective communication
- Gender sensitivity
- Menstrual health and family planning
- Hygiene and sanitation
- Occupational health and safety
- Application of learning at work and home

#### *Advanced Training (99 hours)*

- Basic literacy
- Technical training
- Functional literacy/numeracy
- Personal finance
- Health and nutrition
- Early childhood development
- Communication and negotiation
- Problem solving, decision-making and goal setting
- Violence against women
- Gender, social status and relationships
- Legal empowerment
- Self-management and leadership



## Holistic sourcing practices

We know our sourcing and purchasing practices have an effect on suppliers. In 2011, we focused on our internal awareness about the effects of business decisions on the supply chain. In 2012, we began robust training sessions from the top levels of the merchandising organization to the category levels, beginning with the apparel division. Currently, the merchant development teams and Ethical Sourcing are coordinating the development of mandatory embedded training programs. These courses will be required for merchandising associates.

Holistic sourcing means merchandising, sourcing and suppliers all work together to build a responsible supply chain. We want to create an environment of transparency and communication among these stakeholders so that challenges can be resolved effectively. As we explore the reasons behind unacceptable behavior, such as unauthorized subcontracting, we’ll work to determine if activities on our side can positively influence suppliers and factories to make appropriate decisions. A part of holistic sourcing is better planning by all parties. For example, accurate business forecasting can better enable suppliers and their factories to meet set time-lines. This is one area specifically being targeted for improvement.



## Ethical Sourcing *continued*

### Worker health and safety



**In 2012, more than 4,000 factories around the globe received training on our enhanced standards in the areas of Dormitory and Canteen Safety as well as Machine and Chemical Safety. Management was instructed on implementation of the standards within the factory operating environment. The training also raised awareness of industry-specific hazards and best practices to correct them. At the same time, the benefits to the workers and factories were demonstrated during the training to encourage adherence to the new standards. We also utilize our regular audit process to educate factories and suppliers on appropriate corrective action required to alleviate risk.**

**“One of the most helpful modules in the (Factory Audit Orientation) program was the dormitory and canteen standards, and this has directly led to us implementing industry-best practices in these areas. From a business perspective, we’re now clear on what levels of compliance are expected of us.”**

**– S.P. Apparels Ltd.,  
India**



#### Dormitory and canteen standards

The health and safety of workers in our supply chain is of utmost importance to us. In addition to setting standards for working conditions at production facilities, last year, we implemented specific standards related to on-site dining and living quarters. These enhancements require suppliers to provide safe, healthy and sanitary dormitory and canteen facilities for their workers. Specifically, workers should be adequately prepared to safely evacuate facilities in the event of an emergency and have access to appropriate washroom facilities. Security measures should also be implemented to protect workers and their property.

We audited against these requirements in 2012 and communicated the findings to suppliers. Now that facilities are more familiar with our requirements, as of March 1, 2013, the Ethical Sourcing ratings that a facility receives as part of the audit process will reflect the facility’s level of compliance with the enhanced standards.

#### Machine and chemical safety

The wide variety of products that are sold in our stores are sourced from diverse regions and industries that often have different requirements for machine and chemical safety. To enhance our own standards and drive industry change, we implemented a common set of requirements for all our sourcing markets, which incorporated such international standards as OSHA’s 18001:2007. Health and safety management, risk assessment and training, as well as specific areas such as protection against noise, fire, hazardous substances and electrical equipment, are among the areas addressed by international occupational health and safety specifications.

Information gathered through audits during 2012 has enabled us to pinpoint specific challenges facilities face with regard to meeting our safety standards. It has also allowed us to share recommended actions necessary to address these issues.



## A global approach to fire safety

As part of our effort to work with suppliers globally to improve facility conditions related to risk of fire, we've made several modifications to our protocol for auditing and assessing facilities. Facilities found to have fire safety-related violations will have 30 days to take corrective action before production is barred. In addition, we've put in place a set of requirements that build upon our current program. While these may be above and beyond legal requirements, they must be implemented and adhered to:

- No locked doors. Doors should have push-bar operation for easy exit in case of emergency.
- All doors to exit staircases and fire escapes must be kept closed at all times to prevent smoke from filling the stairwell and keeping workers from safely exiting the building.
- Barred windows must have an internal mechanism for emergency release or removal to allow for worker escape and must remain unlocked.
- All floors and buildings, including dormitories, must have a secondary exit.
- A one-hour, fire-rated enclosed staircase or external fire escape route is recommended.
- Fire escape routes must lead to safe assembly points without any obstructions. Assembly points must be designated and marked as such and must be kept clear at all times.
- Proper access for fire department vehicles and other fire-fighting equipment in the factory premises.
- Adequate water supply for sprinkler and fire hydrant systems.
- Travel distance to an exit cannot exceed 61 meters (200 feet) in buildings without automatic fire sprinkler systems.
- Audible, visible and operable smoke alarms placed appropriately throughout the building with at least the minimum number required by law.
- Audible and operable fire alarms that can be heard in all parts of the building and operate as one system.
- Marked and lighted exit routes for all floors and areas of the building, including stairwells. Emergency lights to be fire grade "industrial emergency lights" for use in smoke and fire environments.
- Every building must be inspected on each work shift by trained personnel to ensure the above criteria are met.
- Quarterly joint fire drills including all floors of the building to be overseen by an external party, such as the fire authority, for timely and effective personnel evacuation. Documentation of these drills must be retained by the facility for review during any visit to the facility.
- Fire safety training conducted for all personnel every six months.
- Personnel on-boarding process should include fire safety training upon hiring.
- Trained firefighters for each floor of the facility.
- Valid fire license where required by law.
- Valid construction approval where required by law.
- Hazardous/flammable chemicals and combustible materials must be kept away from ignition sources.
- Crèche/childcare facilities must be on the ground floor of the building, preferably located in a separate nonindustrial facility.

Facilities found to have fire safety-related violations will have **30 days** to take corrective action before production is barred.

## Worker training films

We understand the value of connecting with workers directly regarding issues of safety in the workplace. As part of our efforts to provide much needed information and training to workers, we collaborated with other brands and retailers in Bangladesh to create films focused on fire safety. Most recently we were involved in a similar project in India where films on health and safety, overtime, worker communication, and harassment and abuse were created for workers on all levels.



## Ethical Sourcing *continued*



### Enhanced fire safety standards

#### Bangladesh

While we're taking an overall global approach, we also recognize there's a need for heightened attention to fire-related risks in countries such as Bangladesh. Our plans include collaborating with other brands and retailers to drive industry-wide results. In the interim of a collaborative approach being clearly defined, we've implemented certain factory requirements to address the most serious concerns.

In 2012, we completed our work with suppliers to phase out of facilities deemed to be at high risk for fire-related incidents because they met one or more of the below fire safety risk criteria. Factories meeting any of these criteria are assessed as red-failed and are no longer eligible for Walmart production for any retail market.

#### *Fire safety risk criteria related to occupancy:*

- Residential building converted into an industrial facility
- Facilities in multistory building with a ground-floor marketplace or commercial shops on any floor
- Facilities in multistory building shared with other factories/enterprises under separate ownership
- Facilities with a rooftop that doesn't meet legal requirements and is not completely clear
- Facilities where there's a residence located within the building

Manufacturing in a building originally constructed for an alternate purpose, such as a residence, can lead to many high-risk issues. Furthermore, when buildings are occupied by various types of businesses under separate ownership executing a full, effective and safe evacuation of the building can be next to impossible.

In addition, all facilities in Bangladesh are now required to undergo a mandatory electrical and building safety assessment provided by a credible independent external certification agency. The initial and first follow-up assessments will be funded by Walmart. To build on this, Walmart is contributing \$1.6 million toward the establishment of an Environment, Health and Safety (EHS) Academy in Bangladesh by the Institute of Sustainable Communities, a U.S.-based NGO that has also set up a similar successful Academy in China.

Through the EHS Academy, apparel manufacturers in Bangladesh will have access to high-quality, affordable and comprehensive training on fire safety and all aspects of environment, health and safety. The Academy will provide a local, long-term platform for addressing EHS challenges in the supply chain through technical training and engagement. In the interim, Walmart is also funding fire safety and emergency response training for factory workers and management, provided by an independent third party.

Critical to the success of our approach is working with the government of Bangladesh to strengthen legal requirements around fire protection, worker training and building safety, including the phase out of residential and commercial mixed-use buildings. Likewise, increased capacity of relevant agencies is needed for oversight of these requirements. We're calling on industry associations to support these efforts as well, especially with regard to training and moving production out of unsafe buildings.



## Program enhancements

We're committed to supply chains that empower the people who work in them, and the families that are supported by them, to live better. What we learned from the tragic incident at Tazreen Fashions, Ltd. in Bangladesh has caused us to reevaluate our processes and strengthen our policies and procedures. Our dedication to responsible sourcing includes raising our own standards and partnering with other stakeholders to improve the standards for workers across the industry.

In January 2013, we distributed a letter to all suppliers globally to inform them of a new zero-tolerance policy for unauthorized subcontracting as well as Ethical Sourcing program enhancements. These new policies were designed to strengthen compliance with important safety standards. We've implemented several new policies, the first steps of many, as we work to create more transparent and productive supply chains and increase opportunities for those who work in them.

Newly disclosed facilities will now be required to prequalify with an Ethical Sourcing audit prior to being made active. Production may not begin until after the facility has passed the full Ethical Sourcing prequalification process. Production in a facility that hasn't been prequalified will be deemed unauthorized subcontracting.



### Walmart zero-tolerance policy for unauthorized subcontracting

In order to continue to improve transparency in our global supply chain, we instituted a zero-tolerance policy for unauthorized subcontracting and will terminate our relationship with any supplier engaging in unauthorized subcontracting to source merchandise for Walmart. Any facilities subcontracting sourcing of Walmart merchandise to an undisclosed or unauthorized facility are subject to being classified as red-failed in our system and may be permanently barred from sourcing merchandise to Walmart for all retail markets.



## Ethical Sourcing *continued*



We've partnered with the NGO Verite and the ManPower Group to start a pilot with selected Walmart suppliers on "An Ethical Framework for International Labor Recruitment." This is an innovative mechanism for changing the way the recruitment industry responds to the scourge of forced labor and human trafficking. The framework offers a set of specific operational practices for recruitment firms that operate across borders. For more details, go to [www.verite.org/ethical-framework-for-intl-recruitment](http://www.verite.org/ethical-framework-for-intl-recruitment).

### Anti-human trafficking and slavery

To help prioritize our engagement strategy, we've consulted with key stakeholders – Free the Slaves, End Human Trafficking Now, International Labour Organization, ManPower Group, Verite and Interfaith Center on Corporate Responsibility – to identify three focus areas: U.S. agriculture, aquaculture production and seafood; migrant labor in Jordan; and the Sumangali Scheme (bonded labor) in India.

#### U.S. agriculture, aquaculture production and seafood

We've increased our focus on sourcing more products from local suppliers and farmers in the U.S. This is a good thing for small business owners, local communities and the U.S. economy.

At the same time, we recognize that this initiative presents unique challenges for our small suppliers who may not have the resources necessary to implement Ethical Sourcing requirements. We're committed to helping our supplier partners address these challenges. The first step was for us to better understand our agriculture and aquaculture supply chains in the U.S. by looking deeper into our supplier facilities and processing centers, including farms and fresh packing facilities.

Next, we began development of a comprehensive support program that includes education, training and capacity building to enable suppliers and their factories to meet our expectations and requirements. In October 2012, we conducted 37 localized training sessions and several webinars for suppliers throughout the U.S., focusing on our standards and supported by an e-learning module to be rolled out in 2013. Using audits and other metrics, we validate compliance with our standards at supplier facilities.

Because these challenges aren't exclusive to Walmart, we've collaborated with NGOs, as well as the public and private sectors, to identify an approach that will provide real and meaningful solutions for our supply chain and the industry as a whole.

#### Seafood

We've engaged with the United Nations Inter-Agency Project (UNIAP) on human trafficking in Thailand. On June 6, 2012, UNIAP convened an expert consultation to discuss human trafficking and labor exploitation in the seafood industry. Given that Thailand is the world's largest exporter of shrimp and that Thai exports account for one-third of the U.S. shrimp market, this meeting marked a significant opportunity for private sector, government, U.N. and civil society representatives to begin conversations on labor abuse, including human trafficking in this sector.

In November 2012, a follow-up meeting was coordinated by the International Labour Organization (ILO). This closed-session discussion was convened between the Thai government and the seafood industry, concurrent with the activities of the Global Aquaculture Alliance's Global Outlook for Aquaculture Leadership 2012 (GOAL) conference. We were involved in supporting both events.





## Migrant labor

### Jordan

Some of the most common issues facing workers migrating to Jordan from nearby countries in South and Southeast Asia include financial burden or risk associated with returning to their home country, restrictions on freedom to change employment to a different facility, excessive working hours, wage deductions and minimum wage disparity, as well as gender-related issues. Workers with low levels of education can be vulnerable to exploitation and may suffer from emotional stress resulting from the difficulty of adjusting to a new environment and to separation from their families. The provision of legal and psychosocial support to these workers can play an important role in helping them deal with these challenges and improving their well-being.

#### Progress:

- Identified key challenges affecting migrant workers in collaboration with other brands and retailers.
- Supported Better Work Jordan in the establishment of a center focused on enhancing the education and well-being of the migrant workforce.
- Continuing to develop mechanisms and best practices to address challenges and create potential avenues for progress.

## Sumangali scheme

### India

The term Sumangali refers to the practice of promising a lump sum of dowry money to young female workers at the end of a two- to three-year period in return for continuous employment. The practice of Sumangali is most prevalent in the spinning mills that provide fabric to the sewing units in Tirupur.

#### Progress:

- Actively participated in the development of industry guidelines to contain the practice of Sumangali, titled “Guidance for Migrant Women Workers in Hostel and the Recruitment Process – Spinning/ Garmenting Factories.”
- The document provides specific guidance on recruitment, terms of employment, training for employees, working hours, payment of wages, and recommendations for safe and appropriate living conditions in hostels.
- Shared the document with all factories in and around Tirupur, as well as our third-party audit firms.
- Continue to leverage the collective strength of the Tirupur Exporters Association, local trade unions, NGOs, brands and retailers to find a sustainable solution to Sumangali.
- Identifying specific spinning mills in our supply chain where we could implement capacity building programs.

**“We’re currently working together with Walmart on the customization of an e-learning tool on human trafficking, which will be shared with their suppliers. Through this process, we’ve seen a strong commitment from Walmart in addressing human trafficking in supply chains. We also participated in a number of Walmart’s brainstorming sessions (in 2012), and saw as well a serious commitment from all layers of management, which is paramount in building a strong policy on human trafficking.”**

**– Clara Pascual de Vargas, senior programme manager, End Human Trafficking Now**



## Ethical Sourcing *continued*

### Partnerships and collaborations



**“Walmart’s participation and leadership are instrumental in moving the GSCP’s work forward and achieving the program’s objectives of consensus, convergence and increased collaboration. We’re grateful for Walmart’s continued commitment to our mission and to advancing the industry through collaboration, to make concrete change happen on the ground.”**

**– Claudine Musitelli, vice president,  
Ethical Sourcing and Food Safety Initiatives,  
The Consumer Goods Forum**

**“When presented with opportunities for collaborative audits, the Ethical Sourcing team consistently allows for the performance of audits on behalf of them and the other client simultaneously, leveraging field work and reducing costs and unnecessary duplication of effort. Walmart’s active participation in efforts like the Global Social Compliance Program demonstrates an appreciation for the need to measure performance in factories, while reducing duplicative efforts for the benefit of all participating enterprises.”**

**– Randal Rankin,  
vice president, CSR Services,  
Bureau Veritas Consumer  
Products Services**

#### 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.

In January 2013, Walmart became the first retailer to finalize the GSCP Equivalence Process. This rigorous benchmarking process allowed us to further strengthen our program by aligning our audit requirements with the GSCP Reference requirements, while recognizing opportunities for continuous improvement and development.

For the upcoming year, we’re focused on engaging and participating in industry-wide remediation and capacity building through opportunities generated within the GSCP. These efforts include the development of practical handbooks for suppliers on the subject of social and labor management systems, as well as creating models for the implementation of the GSCP Environmental Module, which will work to bridge related monitoring and capacity building activities.

As part of the GSCP, we look forward to continued collaboration that drives harmonization, and continuous improvement and that delivers a sustainable global approach.





### International Labour Organization/ International Finance Corporation

The combined efforts of the International Labour Organization (ILO) and the International Finance Corporation (IFC) launched the Better Work Program with an objective to improve 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 partnered with the ILO/IFC in support of 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 such as footwear.

We ask our suppliers who produce merchandise in these countries to fully support the Better Work Program by requiring participation from their factories. The audits conducted through the Better

Work Program replace Walmart's Ethical Sourcing audits for these factories. By supporting programs such as this, companies are able to reduce their own auditing of labor standards and redirect their resources toward factory development and capacity building. Together, we continue to advocate for stronger labor policies and strengthen the capacity to monitor factory conditions in these countries.

### 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 improve and drive change through the supply base we source from and to improve conditions for the workers who make our clothes.



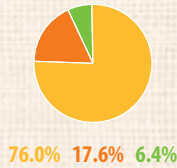
## Global audit results

- 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

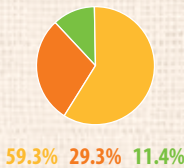
Cambodia  
Indonesia  
Malaysia  
Vietnam



2012	3.2%	33.3%	31.8%	2.2%	1.0%	—
2011	2.3%	33.8%	29.1%	0.6%	0.2%	0.2%
2010	4.7%	37.7%	30.5%	—	1.1%	—

### Region B

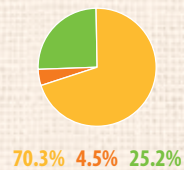
India  
Sri Lanka



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%
2010	12.4%	46.6%	39.2%	—	0.6%	—

### Region C

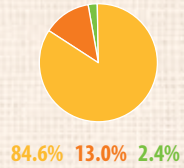
Europe  
Turkey



2012	17.3%	71.1%	10.5%	1.2%	—	—
2011	17.5%	71.7%	10.3%	—	—	—
2010	18.4%	53.7%	26.9%	—	—	—

### Region D

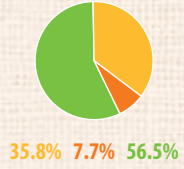
China  
Hong Kong  
Japan  
Philippines  
Taiwan



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%
2010	1.7%	45.9%	30.3%	—	1.8%	—

### Region E

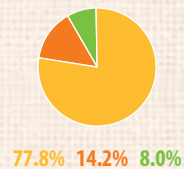
Central America  
North America  
South America



2012	29.3%	50.5%	18.6%	0.6%	0.1%	0.1%
2011	48.0%	37.4%	13.8%	0.7%	0.1%	—
2010	54.8%	35.4%	8.1%	—	0.2%	—

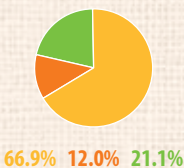
### Region F

Africa  
Bangladesh  
Israel  
Jordan  
Pakistan



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%
2010	6.3%	55.5%	33.4%	—	2.5%	—

### TOTAL



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%
2010	9.3%	45.3%	28.4%	—	1.6%	—



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

## Ethical Sourcing *continued*

### Regional challenges and updates

—	—	28.5%
0.8%	—	33.1%
0.5%	—	25.5%

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.

0.2%	—	—
0.2%	0.2%	—
1.2%	—	—

We continue to engage with multistakeholder initiatives to address the issue of Sumangali in India. Guidelines developed through the Tirupur Stakeholder Forum are being implemented. Concerns in this region continue around management of contract labor, egregious working hours and nonpayment of overtime.

—	—	—
—	0.4%	—
—	1.0%	—

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.

0.3%	—	13.4%
0.2%	0.4%	15.5%
1.6%	0.4%	18.3%

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.

—	—	0.8%
—	—	—
0.8%	0.6%	—

This region faces 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.

0.8%	—	3.1%
0.2%	0.2%	1.3%
2.0%	0.3%	—

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.

0.25%	—	9.54%
0.2%	0.3%	10.2%
1.4%	0.4%	13.6%



# Global Women's Economic Empowerment



Full Circle Exchange

We believe empowering women economically is the right thing to do and will make us a more successful retailer. The majority of our 200 million customers are women, and women control \$20 trillion of annual consumer spending globally. With 90 million women estimated to join the global workforce by 2013, we want to take a leadership role in educating, sourcing from and opening new customer markets for those women because we know it promotes economic growth and better lives for their families.

## How women impact Walmart

**60%+**  
of our 200 million customers are women

Women-owned businesses are growing

**1.5x**  
faster than all other private companies

Women-owned businesses hire

**2x**  
the number of women into senior management positions

## Progress Highlights

### Increase sourcing from women-owned businesses

- Last year, the Walmart Foundation made a \$1.5 million grant to the State Department's Secretary's Fund for Women and Girls. This will provide 26 grants to 16 Latin American and Caribbean countries, as well as two multiregional projects, and will support women's entrepreneurship by developing and linking existing resources, programs and infrastructure to create a stronger entrepreneurial environment for women entrepreneurs and women-owned businesses.
- Walmart has taken a deep dive approach to achieving its \$20 billion sourcing goal. We've contracted with a third party to verify current spend data and identify new potential suppliers. We also established an advisory network and conducted interviews with merchants, key decision-makers and suppliers to identify barriers to growth with existing and new suppliers. The findings from those interviews led us to develop solutions that ensure the achievement of the goal. We're currently in the process of delivering these tools and resources to the business. Finally, since the goal was announced, we've conducted eight diverse supplier summits across the organization (Walmart, Sam's Club, Professional Services).
- Internationally, we've developed a system that is being used to identify baseline women-owned business (WOB) spend and that can be used for any new WOB that begins working with us. We've launched this system in some of our markets and are working with the others to implement.
- On March 7, 2013, we launched "Empowering Women Together," our e-commerce platform to work with small WOBs. At launch, we offered over 200 items from 19 suppliers in nine countries. Nearly half of the suppliers are from the U.S. We look forward to growing this assortment in the seasons to come. For more, go to [www.walmart.com/empoweringwomentogether](http://www.walmart.com/empoweringwomentogether).
- Walmart provided \$25,000 to launch the Women at Work program, in alliance with the Agricultural Suppliers Association. This program provides women farmers from the Aguacoyo's Community in Suchitoto, El Salvador, with the accounting, pest identification, soil preparation and other training they need to source to Walmart.





### Empower nearly 1 million women through training

- In the U.S., through more than \$18 million in grants in FY2013, the Walmart Foundation funded more than 57,000 women's access to job training and economic support programs to improve the lives of their families.
- In February 2011, the Walmart Foundation awarded a \$350,000 grant to Agribusiness Systems International to support the

Sunhara program in the state of Uttar Pradesh, India. The project supported 2,500 women engaged in vegetable and incense production, with production practices and direct market linkages. A second grant to expand this work and reach another 5,000 women farmers began in January 2013.

### Promote diversity and inclusion opportunities within our merchandise and professional services suppliers

- Walmart developed an online database to track gender and diversity representation of our major professional service firms and merchandise suppliers with more than \$1 billion in sales to increase opportunities for women and minorities within our suppliers' Walmart and Sam's Club teams. This program continues to roll out across the business.



- The small size of many women-owned businesses, especially in emerging markets, presents challenges to large companies that traditionally have worked on the basis of scale with other large suppliers. Our internal incentives and business practices needed to be scaled down to align better with small suppliers as they scale up.
- We've set ambitious goals that require partnerships for scale and sustainability. Finding these partners and building relationships is something we continue to put time and energy against.



For videos related to our Global Women's Economic Empowerment initiative, go to the online version of this report at <http://corporate.walmart.com/microsites/global-responsibility-report-2013>.



# Hunger relief



## Coming together to lead on hunger

As the world's largest grocer, we have a unique opportunity and responsibility to positively impact one of the most critical issues today – hunger. Walmart and the Walmart Foundation believe that all people should have access to affordable, nutritious, sustainably grown food and that we can apply our business and philanthropic resources to help turn that vision into reality. Through Walmart's work on sustainable agriculture, healthier food and our core business model of low prices – and the millions of pounds of food donated by Walmart and Sam's Club facilities to local Feeding America food banks – we envision a day when no American has to wonder where his or her next meal will come from.



Since announcing the Fighting Hunger Together and Healthier Food initiatives in 2010 and 2011, respectively, Walmart and the Walmart Foundation have made significant progress with our hunger-relief, nutrition and healthier-eating goals. See pages 159-161 for details.

### Fighting hunger together

- Through 2015, award \$250 million in hunger-relief grants at the local, state and national levels
- Through 2015, donate 1.1 billion pounds of food
- Mobilize associates and customers
- Collaborate with government and industry

### Healthier food

- Reformulate packaged foods
- Save customers \$1 billion per year on healthier food
- Front-of-pack seal on healthier food
- Build stores in food deserts
- Increase charitable support for nutrition education



For videos related to our hunger relief efforts, go to the online version of this report at <http://corporate.walmart.com/microsites/global-responsibility-report-2013>.





As the Walmart Foundation considers the outcomes it aims to achieve over the next three years, there's a tremendous opportunity to leverage the work of the company's Healthy Food for Less initiative alongside the Fighting Hunger Together commitment in order to broaden and deepen the impact Walmart and the Walmart Foundation can have on helping people live better, healthier lives.

Even with our commitments and progress, there are people who continue to struggle to access healthy food for their families. Many of them are among the more than 50 million people in the U.S. considered food insecure. That's why Walmart and the Walmart Foundation are working harder than ever to change that statistic.

- In 2012, Walmart and the Walmart Foundation helped bring Breakfast in the Classroom to the children of Port Towns Elementary in Prince George's County, Md. More than 80 percent of their students live at or below the poverty line.

- The Walmart Foundation also works to "green" food banks, allowing them to operate more efficiently and effectively – reducing their costs and empowering them to feed more people.
- Since 2011, Walmart and the Walmart Foundation have increased charitable support of nutrition education programs that are projected to help more than 1 million low-income women and children increase their knowledge of nutritional values and develop healthier eating habits. This work is giving people the knowledge and skills they need to prepare healthy meals for their families.

**50**  
**million**  
**people in the U.S.**  
**are considered**  
**food insecure**



## Healthier food

In January 2011, with the support of first lady Michelle Obama, we announced a commitment to make healthier eating easier for Americans by using our business and philanthropic resources. We believe this initiative will change the retail industry in much the same way our \$4 prescription drug program has. Over the past two years, we've made significant progress toward our five commitments:

Walmart is working with the Partnership For a Healthier America to review progress toward our goals and the metrics we use to measure success.



### 1 Launch a simple front-of-package icon backed by strong nutrition criteria

**Commitment:** Launch a simple front-of-package icon backed by strong nutrition criteria.

**Progress:** Our Great For You icon is being rolled out across the country and will appear on more than 1,300 Great Value and Marketside foods and beverages in Walmart U.S. stores in the coming year.

- More than 4,000 private-brand products were evaluated against the Great For You nutrition criteria, with approximately 32 percent of fresh produce, meats and packaged items receiving the icon.
- In September 2012, we partnered with HumanaVitality, a subsidiary of Humana, to launch a first-of-its-kind effort to help consumers across the country save money on healthier foods and, ultimately, live longer, healthier lives. HumanaVitality members receive a 5 percent savings when they purchase Great For You foods and beverages at Walmart. This partnership represents the first national program where a major retailer and health care company have come together to incentivize people to eat better through savings on healthier foods. Participants are responding favorably as more customers utilize HumanaVitality monthly.
- The icon will soon be available to participating national-brand products that meet the Great For You criteria and qualify for the icon.

### 2 Reformulate thousands of everyday packaged food items by the end of 2015

**Commitment:** 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 compared against a January 2008 baseline.

**Progress:** We made significant progress toward our commitment to reformulate thousands of packaged food items. In 2012, we completed the development of a robust system that will help us track progress toward the reformulation of Great Value and national-brand products. Nutrition data was collected for a 2008 baseline and compared against 2011 data on more than 50,000 private- and national-brand food items and beverages. These comparisons stretched across 74 focus grocery categories.

- Remove the remaining industrially produced trans fats from the foods we sell by 2015. Since 2008, industrially produced trans fats have been reduced by 50 percent. Less than 10 percent of the foods and beverages we sold in 2011 contained industrially produced trans fats.
- Reduce sugars by 10 percent by 2015. Surpassing our goal, sugars have declined by more than 10 percent since 2008. Sugars have declined for three primary reasons: reformulated products; new, healthier products coming into the marketplace; and customers making healthier choices.
- Reduce sodium by 25 percent by 2015. Since 2008, sodium has declined by 9 percent. Between 2008 and 2011, we decreased sodium by 13 percent across the commercial bread category. This is equivalent to removing more than 1.5 million pounds of salt from the market baskets of our shoppers.



## 3 Save customers money on healthier food

**Commitment:** Save customers at least \$1 billion a year on healthier foods, including reduced prices on produce and parity pricing on healthier foods and beverages.

**Progress:** In FY2013, we achieved \$1.2 billion in savings, bringing the total savings for customers to \$2.3 billion over the first two years of the program. We measure progress toward this goal by conducting regular market-basket pricing studies to ensure customers are saving money on fresh produce at Walmart. We're tracking the price premium for healthier equivalents of national brands for more than 500 pairs of items in an effort to eliminate the price differential. In order to truly understand the price differences, we look at both price and size of package, since price premiums can show up with smaller packages and/or higher prices. The price differential has been reduced in the past year from 5.7 percent to 5.4 percent. We'll continue to work closely with our suppliers to reduce and, ultimately, eliminate price premiums over the remaining three years of our commitment.



## 4 Open Walmart stores in food deserts by 2016

**Commitment:** Open 275 to 300 new stores serving urban and rural food deserts by 2016. Increase access to fresh and healthier foods for Americans.

**Progress:** By the end of FY2013, 86 new Walmart stores had been opened in areas serving food deserts since our announcement.

- 28 new food desert stores opened in FY2012.
- 58 new food desert stores opened in FY2013.
- As a result of the 86 new stores in these underserved areas, more than 264,000 Americans have better access to healthier food.
- We project that 800,000 more Americans will have access to healthier food by the time we open all 300 stores outlined in our commitment.

## 5 Increase charitable support for nutrition programs

**Commitment:** Help Americans better understand nutrition and healthier eating by increasing charitable support for nutrition education programs.

**Progress:** In FY2013, Walmart and the Walmart Foundation committed more than \$13 million to innovative programs across the U.S. that support nutrition education. Since the original commitment, more than \$26 million in grants have been awarded.

- The Alliance for a Healthier Generation is increasing access to healthy food and providing nutrition education for 60,000 school-age children in six communities across the nation.
- The American Heart Association will fund the expansion of the Simple Cooking With Heart program, which helps Americans learn healthy cooking skills and adopt healthier diets.
- Common Threads promotes a range of culturally appropriate strategies, including teaching children skills and knowledge of healthy eating, building their confidence in the kitchen and beyond, and empowering families to cook and eat together for a healthier lifestyle.
- The Institute for America's Health expands nutrition education programming aimed at educating, empowering and equipping more than 150,000 students, teachers and family members with the knowledge and skills needed to live healthier lives.





# Giving



## Creating opportunities so people can live better

In FY2013, Walmart and the Walmart Foundation surpassed \$1 billion in giving. Through financial contributions, in-kind donations and the volunteer efforts of Walmart associates, Walmart and the Walmart Foundation support local organizations that positively impact under-served populations in the communities we serve.

**\$1 billion+**  
in giving  
in FY2013

The Walmart Foundation continually looks for opportunities to help people live better. To increase its impact in FY2013 and beyond, the Walmart Foundation is focusing on four core areas to have the greatest impact: hunger relief and healthy eating, career opportunity, sustainability

and women's economic empowerment. In addition to these areas, Walmart and the Walmart Foundation continue to give back to organizations that support diverse populations, veterans transitioning to the workforce and communities impacted by natural disaster.



### Hunger relief and healthy eating

Walmart believes that all people should have access to affordable, nutritious, sustainably grown food and that its business and philanthropic resources can make this vision a reality. Walmart and the Walmart Foundation are making significant strides toward surpassing our \$2 billion commitment to fight hunger in America. The Walmart Foundation is making a difference through programs like Breakfast in the Classroom and the YMCA's Summer Food Service Program.

### Career opportunity

Walmart and the Walmart Foundation support initiatives that provide job readiness, skills training and career counseling, connecting people with employment opportunities that lead to career success and a better life. Through the Walmart Foundation's support of organizations such as Goodwill Industries International, thousands will find career success and economic stability.

### Sustainability

Walmart is not only the world's largest grocer, but a significant leader in environmental sustainability. That's why our company and its foundation are helping communities address key issues like waste reduction, energy efficiency and sustainable agriculture through its giving. With support from the Walmart Foundation, organizations such as Growing Power are able to provide local communities with healthier, more sustainable food for generations to come.

### Women's economic empowerment

Empowering women around the globe is vital to Walmart's mission of helping people live better. In the U.S. and internationally, Walmart and the Walmart Foundation help low-income women access training that develops the skills, knowledge and confidence they need to become self-sufficient. The lives of many aspiring professionals have been changed through our support of organizations like Dress for Success.



For videos related to our giving efforts, go to the online version of this report at <http://corporate.walmart.com/microsites/global-responsibility-report-2013>.



# Disaster relief

## Responding in times of crisis

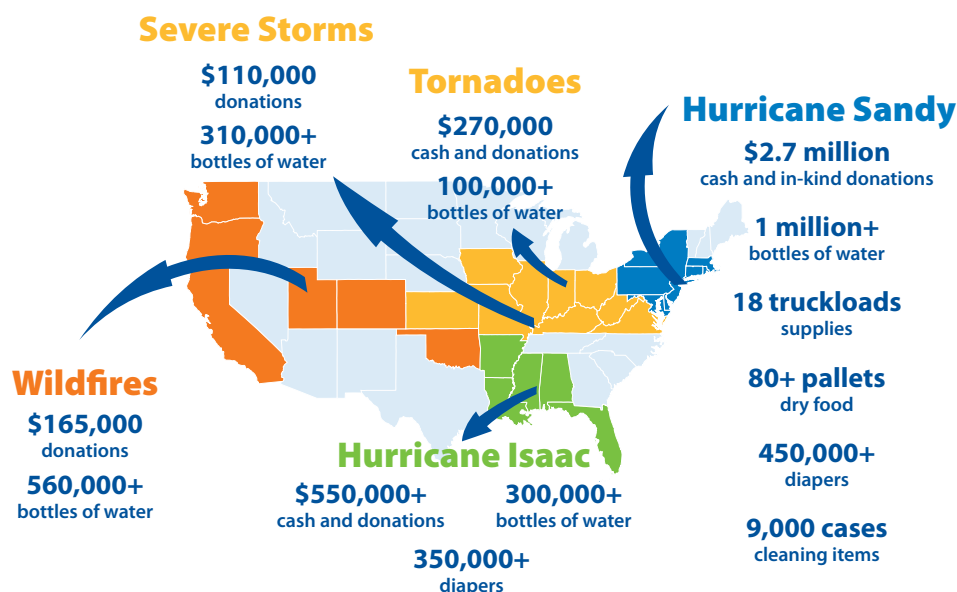
We're in the business of saving people money so they can live better, so helping communities is what we do every day. When a crisis strikes, that charge becomes an even greater priority. We must all come together – business, government and community – to help our neighbors rebuild their lives. Since 2001, our Emergency Operations Center has been instrumental in leveraging our resources and expertise to respond to communities impacted by natural disasters in a timely and organized manner.



We also understand the value of emergency preparedness, and that was more apparent than ever when we leveraged our experience in 2012. With the whole community in mind, Walmart was asked to embed an associate at the Federal Emergency Management Agency (FEMA) to bring the voice of the private sector to the table. Through FEMA's new 90-day Private Sector Rotation program, we helped build tools that would bridge the gaps identified in federal efforts to build and maintain public-private partnerships. These efforts were highlighted during the Atlantic hurricane season in 2012. In addition, we worked with state and local governments across the country on disaster planning and preparedness and leveraged our subject matter expertise in logistics, transportation and supply chain management to strengthen disaster response systems, as a team.

In FY2013, Walmart and the Walmart Foundation contributed \$3.8 million in cash and in-kind donations, including truckloads of essential supplies, to 22 areas impacted by natural disasters across the U.S., in addition to leveraging our scale and resources to respond to disasters in markets we serve around the world. Walmart also provided \$1.4 million in assistance to our own associates through the Disaster Displacement Assistance program. Our efforts provide immediate, life-sustaining needs, and we work closely with local and national emergency management agencies, American Red Cross, Salvation Army and others.

### Here's how we helped:



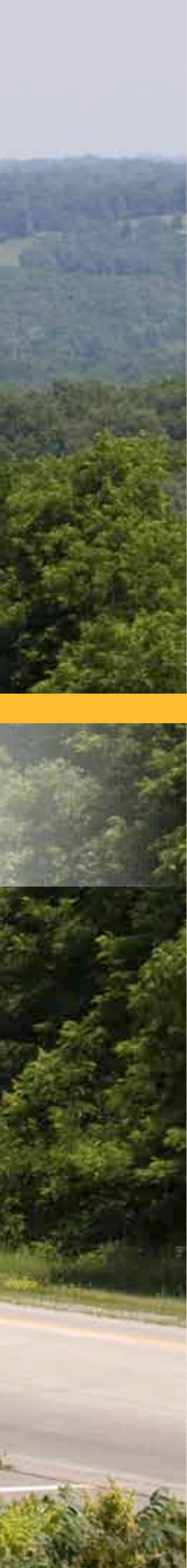




# Environmental responsibility







**E**nvironmental 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, it sets the stage for a more financially stable and responsible Walmart. 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.





# Sustainability 360

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 – from associate job descriptions to our interactions with suppliers.

Operations  
**10,000+**  
retail units

Suppliers  
**100,000+**  
worldwide

Customers  
**Millions**  
shopping weekly

Associates  
**2 million+**  
worldwide

Communities  
**Thousands**  
worldwide



For example, we've brought together more than 250 of our Walmart U.S. and Sam's Club buyers to learn how to better incorporate the Sustainability Index and associated scorecards into their everyday business decisions. By doing so, we will continue to improve the sustainability of our products, reduce cost, raise quality and strengthen customer trust.

Since 2011, Walmart Brazil has been working on the social initiative Walmart Institute Caravan, bringing together more than 210 women leader representatives from 188 NGOs in six Brazilian states. In 2013, eight states are covered by the Walmart Institute Caravan. 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.

These are just a few examples in three of the markets we serve around the world. Sustainability 360 guides our decisions based on improving the environment, supply chain and communities everywhere we operate and source.



# Sustainable Value Networks

At Walmart, we utilize Sustainable Value Networks (SVN) to help integrate sustainable practices into all parts of our business. These SVNs can be thought of as a practical implementation of the concept of Sustainability 360 with collections of internal and external stakeholders coming together to develop solutions and deliver tangible results that make a difference for our business and for sustainability. As we've learned and made progress, we've continued to redesign the SVN structure to better fit and support our progress. Our SVNs bring together leaders from our company, supplier companies, academia, government and NGOs. Together, we explore challenges and develop solutions to benefit our business, as well as our local and global communities.



## SVN Councils

Our eight SVNs are currently overseen by an Operations Council and Products Council, charged with recognizing progress, evaluating future direction and aligning new goals. Each of our SVNs has contributed a wealth of innovation and insight, resulting in numerous positive changes to our business operations and the environment. We've become more energy efficient, reduced waste and increased the introduction of environmentally preferred products.

- Over the past year, we've engaged internal stakeholders up to the executive vice president level via six council meetings. They continue to discuss the most pressing and impactful topics, ranging from energy-efficiency goals in our stores to implementation of the Sustainability Index. These collaborative exchanges are driving actions and results.
- We've globalized our SVNs to broaden and accelerate our efforts. For example, our Food and Agriculture SVN now has seven teams, led by associates from the U.S., U.K., Costa Rica and Brazil.

## Operations Council

Renewable Energy  
Sustainable Facilities  
Sustainable Transportation  
Operations Waste and Recycling

## Products Council

Index  
Packaging  
Food and Agriculture  
Chemical-Intensive Products



# Renewable energy



## Progressing toward our aspirational goal

We have a responsibility to lead in the global transition to renewable energy. We're progressing toward our goal of being supplied 100 percent by renewable energy, driving sustainable development as we expand our global reach to provide goods and services to customers around the world.



### Progress since our last report

- **Walmart U.S.** completed 200th on-site solar installation.
- **Walmart Mexico** started construction on two utility-scale wind projects and two micro-hydro projects.
- **Walmart Chile** launched its first large-scale renewable RFP.
- **Walmart U.S.** completed a 1-MW utility-scale wind turbine at distribution center in Red Bluff, Calif.
- **Walmart India** installed its first solar water heaters.

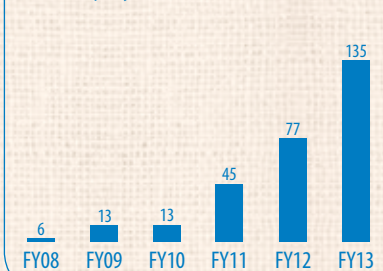
When we think about energy, we not only think of its potential negative impact on the environment, but also energy's positive role in helping people rise out of poverty and into the middle class.

Our renewable energy activities follow these principles:

- **Demonstrable change:** Walmart's partnership drives the production or procurement of renewable energy projects.
- **Saving money and living better:** Driving down the cost of renewable energy by securing cost-effective, stable energy pricing that's equal to or less than utility power pricing.
- **Building scale:** Using our commitment, reach and size to accelerate the global renewable energy transition.

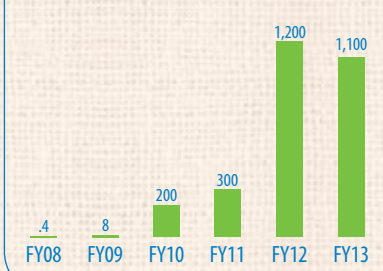
To become powered by 100 percent renewable energy, we recognize it will require investing in different technologies and power generation strategies, including distributed/on-site generation, utility-scale/off-site generation and grid-connected green power purchases.

Onsite Renewable Projects\* (installed per year)



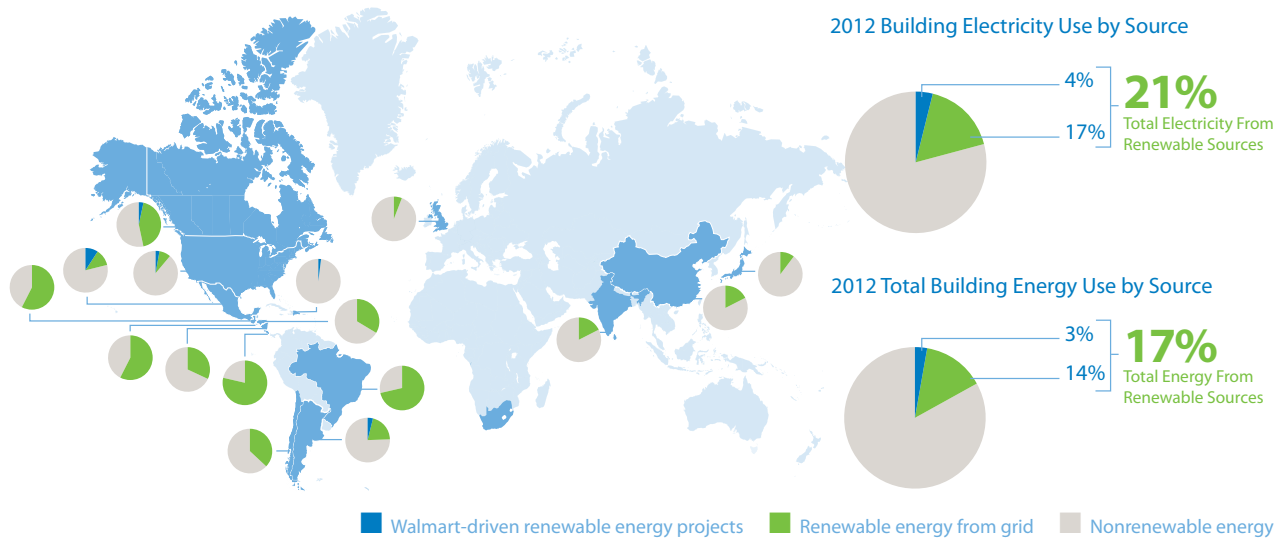
\*Includes solar, wind and fuel cell systems installed at stores, clubs or distribution centers.

Total MWh from Renewable Energy (in thousands of MWh)



Achieving our goal to be supplied 100 percent by renewable power is a fluid process. Off-site renewable power purchase agreements are typically very large purchases, and the timing of the execution of new agreements or the expiration of older agreements is significant enough to cause fluctuations in total renewable energy from one year to the next. For example, Walmart U.S. was unable to renegotiate an expiring contract with competitive pricing, causing a dip in overall renewable results for the reporting year, even though we had a very strong year in adding new on-site renewable projects. We continue to seek new large-scale, off-site renewable energy purchases and are focused on growing our on-site generation exponentially.





At the end of 2012, we had more than 280 renewable energy projects in operation or under development across our global portfolio. These projects provide us more than 1 billion kilowatt hours of renewable electricity annually – enough to power more than 95,000 American homes or a city of 3.8 million residents in urban India. Together with the renewable electricity we're supplied by the grid, 21 percent of our electricity needs globally are supplied by renewable sources.

When we measure our total renewable energy supply, we look at it two ways:

- Renewable electricity as a portion of total electricity needs for our buildings
- Renewable energy as a percentage of total energy needs for our buildings, including electricity, natural gas, propane and other building energy sources

Walmart-driven renewable projects provide about 4 percent annually of our buildings' electricity needs. The grid supplies another 17 percent, for a total of 21 percent renewable electricity. Renewable energy served 17 percent of our buildings' total energy needs, with about 14 percent coming from the grid and about 3 percent coming from our renewable projects.

*Note: Due to the timing of the publication of this report, our renewable energy calculations are based on estimated 2012 energy usage for some countries.*

## Vision 2020

### Renewable Energy & Efficiency Goals

In addition to pursuing our aspirational goal to be supplied by 100 percent renewable energy, we're pleased to announce our Vision 2020 Energy Goals. We will take a two-tiered approach by increasing both renewable energy usage and energy efficiency with the following commitments:

#### Scaling renewables

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.

#### Accelerate efficiency

By Dec. 31, 2020, reduce the total kWh-per-square-foot energy intensity required to power our buildings by 20 percent versus 2010.



# Greenhouse gas (GHG)

## Taking steps to reduce emissions

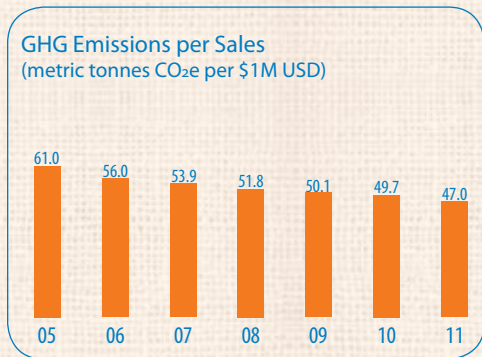
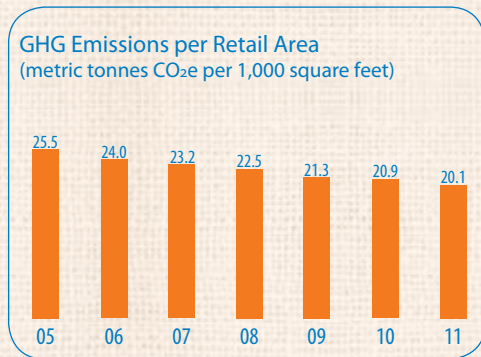
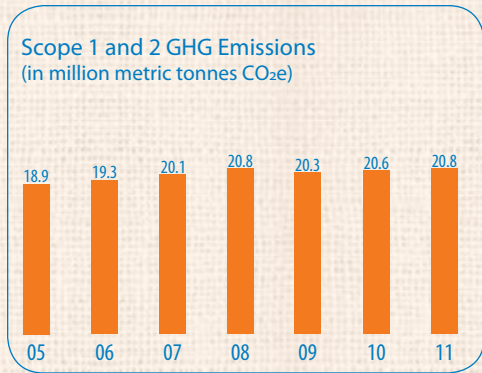
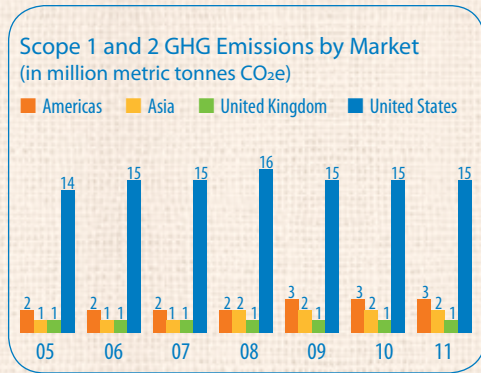
Since 2005, we've been taking strategic and focused steps to reduce greenhouse gas (GHG) emissions from our 2005 base of stores, clubs and distribution centers around the world by 20 percent by 2012. At the end of 2011 (the most recent year for which we have complete data), we'd achieved this goal and anticipate reporting further progress from this past year. Our success in this area can be attributed to a variety of factors, including:

- Technological advances in energy-efficiency equipment and projects
- Focused reduction efforts in refrigerant losses
- Reduced carbon intensity of utility power
- Increased deployment and consumption of renewable energy

**Exceeded 20% GHG reduction in our 2005 adjusted base**

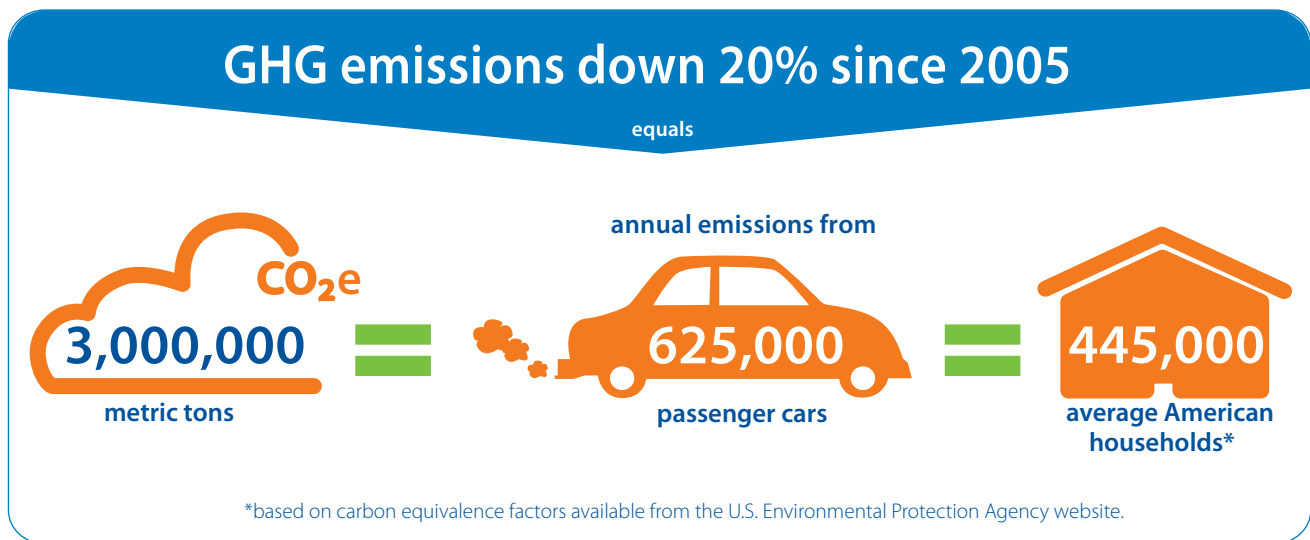
In addition to exceeding a 20 percent absolute GHG reduction in our 2005 adjusted base of stores, clubs and distribution centers, Walmart continued to demonstrate significant decoupling of business growth from total GHG growth in 2011. Since 2005, Walmart's total GHG emissions – which includes new facility growth and transportation emissions, as well as the existing 2005 baseline fleet of buildings – grew at just one-quarter the rate of sales and square footage growth. From 2005 to 2011, total GHGs grew 11 percent, while sales and square footage grew 44 percent and 40 percent, respectively.

Walmart tracks its Scope 1 (direct), Scope 2 (indirect) and some Scope 3 (other indirect) GHG emissions according to the World Resource Institute's (WRI) GHG Protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org)). Since 2005, Walmart has publicly reported this information annually as part of the Carbon Disclosure Project (CDP). Our most recent response can be viewed at [www.cdproject.net](http://www.cdproject.net).





## Our GHG emissions record



### Refrigerants

Refrigerants account for 13 percent of our total corporate GHG footprint, contributing nearly twice that of the fuel used in our trucks. Walmart has made targeted efforts to reduce leakage of refrigerants in our stores, distribution centers and mobile refrigerated fleet. These efforts have reduced our total refrigerant-related emissions by nearly 8 percent compared to our 2005 base facilities.

In addition to reducing leaks, we also continue to explore feasible alternatives to conventional refrigerants that have a lower climate change effect. In November 2010, our CEO, Mike Duke, signed a resolution along with

other members of the Consumer Goods Forum to begin phasing out hydrofluorocarbons by 2015 and to transition toward natural refrigerants. In 2011, we became one of the first retailers in the U.S. to incorporate secondary loop refrigeration systems into all new store prototype designs, which drastically reduced the potential for leaks and enabled this transition to natural refrigerants. As of 2012, more than 125 stores and two clubs in the U.S. utilized the natural refrigerants glycol and carbon dioxide, and we continue to explore other feasible alternatives.



# Energy efficiency and buildings



We began an accelerated program to replace current T5 fluorescent lights with LEDs throughout the distribution center network. This effort, combined with the installation of more efficient liquid circulation pumps for some refrigeration systems, led to a decrease of more than 30 million kWh and a savings of more than \$2 million. The full retrofit of LEDs is expected to be complete in 2016, and the remaining pumps will be replaced in 2013.

## Recent highlights

### In 2012

- Addition of doors on all refrigerated cases in new and remodeled supermarkets in Brazil and Mexico.
- Nearly 300 LED sales floor lighting retrofits completed in Japan.
- 138 stores and clubs in the U.S. and Puerto Rico were retrofitted with higher-efficiency motors in their walk-in coolers and freezers.
- 33 stores in Puerto Rico installed glass doors on their medium- and low-temperature refrigerated cases.

### In 2011

- Among first retailers in the U.S. to incorporate the secondary loop refrigeration system in new store prototypes.

## Turning on the lights

**We leverage our global size and scale to invest in and implement technology that has the potential to not only reduce our carbon footprint and save customers money, but also transform the industry.**

The three major components of Walmart's energy consumption in buildings include HVAC, refrigeration and lighting. While we've made significant progress in each of these areas in recent years, we've set the stage to take another step toward clearing our largest hurdle to date in LED sales floor lighting.

From the first installations of LEDs in our illuminated signage outside our stores in 2003, to what may have been the first-ever LED freezer case lighting rollout in 2006, to our continuing transition to LED parking lot lighting, we've led from the front. Although LED sales floor lighting remains our biggest opportunity, it has already become the standard in nearly all of our new stores and many retrofits in China, India and Japan. In 2012, Walmart Canada made its mark by retrofitting its Brampton, Ontario, store with LEDs.

When this report was published, we were, for the first time, leveraging our size and scale to conduct a global bid with suppliers



We were one of the first companies in the country to test and implement hydrogen fuel cells as a power source for our forklift fleet. In 2012, the program expanded from 63 to 255 forklifts at the Washington Courthouse, Ohio, facility. At the time of the expansion, we operated approximately 16 percent of all hydrogen fuel cells forklifts, the largest fleet in the world.

for LED lighting for our sales floors, distribution centers and corporate offices. This is a landmark development, as the installation of LEDs on a global scale creates the potential for us to reduce greenhouse gas emissions and energy consumption over time.

Just as our successful installation of LED lighting in freezer cases prompted global change across the industry, we believe this sales floor lighting initiative will inspire results many times beyond our own. This has the potential to impact commercial and public spaces around the world, including stores, schools, convention centers and more.

**Challenges**

While the return on investment for many of our efficiency and buildings innovations is relatively quick, it's not as simple as earmarking dollars. For example, every specific lighting use and market presents its own unique challenges and opportunities that must first be taken into consideration. Whether or not the technology is available is balanced with utility cost, environmental effect, sales/product impact and more. We weigh all of these factors carefully in determining our strategic course of action.



# Energy: Fleet

## Focusing on fleet efficiency

**Walmart U.S. Logistics continued to find savings in its transportation operation, achieving an 80 percent improvement in fleet efficiency over our 2005 baseline. The combination of new equipment with better technology and increased system capabilities drove the 10 percent increase over 2011.**

Across the network, we delivered almost 297 million more cases while driving almost 11 million fewer miles in 2012. Had we not improved our efficiency, we would have driven 70 million more miles to deliver the additional cases. Every mile not driven is fuel not burned. That efficiency saved the company and our customers almost \$130 million and avoided emitting almost 103,000 metric tons of CO<sub>2</sub>, the same as taking 20,000 cars off the road.

### Testing alternative fuels

We've been active in the search for and testing of viable alternative vehicle fuels for more than 20 years. 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. Since then, we've tested several other biodiesels, including waste brown grease from our stores, while investing heavily in the electrification of heavy-duty vehicles.

Current efforts are focused on the following:

- **Natural Gas:** The latest testing of liquid natural gas (LNG) began in 2009 at our Apple Valley, Calif., distribution center (DC) and continues today. In 2012, we were one of the first companies to receive the new Cummins Westport ISX 12-liter engines and are operating it on CNG in Fontana, Calif. 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.

- **Renewable Diesel:** Dynamic Fuels, a joint venture of Tyson Foods, Inc. and Syntroleum Corporation, produces a next-generation renewable, synthetic fuel from animal fat, grease and vegetable oil. Initial track testing for fuel economy led to an expanded pilot at a DC in Louisiana. The expanded evaluation of viability will include all aspects outlined above for the natural gas testing.
- **Future of Fuels:** Walmart is a founding member of the Business for Social Responsibility (BSR) Future of Fuels Working Group ([www.bsr.org/futureoffuels](http://www.bsr.org/futureoffuels)). Future of Fuels is a cross-sector initiative that aims to understand the life cycle sustainability impacts of the transportation fuel system and identify practical opportunities to advance fuel sustainability by:
  - Developing a credible and holistic framework for understanding the total life cycle impacts (social, economic and environmental) of different transportation fuels.
  - Developing a shared perspective on how these impacts, considering cost and availability, are likely to change over time.
  - Based on the above, creating a common road map for industry members and partners to promote more sustainable transportation fuels and supply chains.



Since 2007





# Waste



## Reducing waste across our global operations

**Our goal of achieving zero waste motivates associates and suppliers across our global operations every day. We've made strong progress on our commitment to generate zero waste to landfill, reduce one-time-use bag waste, and globalize our network of associates who are focused on delivering business and sustainability results through waste diversion.**

More than three years ago, we created a team of associates around the world who champion waste reduction and keep us moving toward our ultimate goal. This team continuously works to identify opportunity, drive innovation, and share their experiences and best practices.

### Operational waste diversion

The signature operational waste milestone for Walmart U.S. was recorded in 2011, when it prevented 80 percent of the waste generated by its stores, clubs and distribution centers nationwide from going to the landfill. This achievement alone had the potential to prevent more than 11.8 million metric tons of CO<sub>2</sub>e emissions annually, the equivalent of taking more than 2 million cars off the road. Walmart U.S. improved to 80.9 percent reduction in 2012.

- Diverted waste has increased by almost 2 percent (2010 baseline).
- Nondiverted waste has decreased by more than 10 percent (2010 baseline).
- Total annual waste generated from operations (diverted and nondiverted) has decreased by more than 1 percent (2010 baseline).

Our progress allowed us to successfully remove the second compactor from all of our supercenters in the U.S. by July 2012. So while we continue to look for ways to reduce, reuse and recycle, we've successfully worked with our suppliers and vendor partners to eliminate materials from becoming part of the waste or recycling stream in the first place.

There are many challenges across all the markets we serve. Some markets such as the U.K., U.S., Canada and Japan have made significant progress on waste diversion. Other markets continue to develop innovative solutions to address infrastructure needs, legislative requirements and market-specific business processes in order to raise their diversion rates.

We remain committed to reducing waste across our global operations.



## Reduced plastic bag waste globally by 38.1%

### Plastic bag reduction

One-time-use shopping bags continue to represent a tremendous opportunity as we work to reduce waste being sent to landfills, but we're making marked progress. In fact, we recently achieved a signature milestone.

Since 2008, we have been working to reduce our global plastic shopping bag waste by an average of 33 percent per store by 2013, compared with our 2007 baseline. We exceeded that target by reducing bag waste across our global operations by 38.1 percent, or approximately 10 billion bags.

We achieved this milestone through a variety of initiatives designed to address the specific needs and habits of customers in every market where we operate. In Brazil, for example, we have reduced plastic bag consumption by more than 50 percent, thanks, in part, to the Responsible Customers Deserve a Discount program and to overwhelming support for reusable bags. In Chile, the largest reductions were recorded following the introduction of a shopping bag made of 75 percent recycled plastic. In other markets, we've developed associate training materials to educate our register operators on ways they can contribute to sustainability and the business by packing bags more efficiently.

We continue to look for environmentally responsible solutions, particularly in markets where we still carry one-time-use bags. We're finding ways to incorporate more recycled materials into one-time-use shopping bags and reinforcing associate training to ensure optimum use of the ones we have, while developing, promoting and selling reusable bags in our stores. Continually communicating the importance of responsible one-time-use bag consumption and recycling to our customers will drive further success in this area.

### Food throwaway reduction

While considerable attention is being paid to producing more food to meet growing population demands, one of the most immediate and effective ways to alleviate some of the pressure is to waste less of what we already have. To this end, we're committed to reducing food waste in our emerging market stores and clubs by 15 percent and in other markets by 10 percent by the end of 2015. The following demonstrates a sampling of our progress:

- Our ASDA operations are on board with the U.K. government's Courtauld Commitment, eliminating 2,455 tonnes of food waste through better forecasting in our fresh department and another 1,059 tonnes by reducing back-of-house inventory. We also worked with our primary milk supplier for ASDA to extend the shelf life on standard milk.
- At Sam's Club, we rolled out a Fresh Inventory Optimization program in 2011 that has produced sustained results, reducing food throwaways in 2011 and 2012. In FY2013, we avoided \$10.5 million fresh food throwaway costs and, at the same time, grew sales by more than 5.1 percent.



Plastic bag use reduced more than **50%** in Brazil



# Sustainability Index



## Building the Sustainability Index into our business

In 2009, we committed to developing a global Sustainability Index – a new retail standard for the 21st century. Today, we’re utilizing the work of The Sustainability Consortium (TSC) to not only integrate the Index into our business but also tie it to our buyer incentives and performance evaluations. Our vision for the Index was, and continues to be, to provide tools for merchants and customers to:

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

### TSC recognition

- Scientific American  
“Top 10 World Changing Ideas”
- Endorsed by the Consumer Goods Forum

“Those suppliers who partner with us in building a responsible supply chain will be the suppliers who will grow with us.”

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

### The Sustainability Consortium (TSC)

The development of the Index continues to be driven by the work of TSC, a first-of-its-kind consortium delivering the research, measurement and reporting systems necessary to understand the products we sell and engage suppliers around sustainability. TSC actively researches leading issues, identifies opportunities and develops key performance indicators to establish a “common language” by which we evaluate product and supplier sustainability performance while driving innovation where it matters most.

#### TSC: The global leader in consumer goods sustainability measurement





## Business integration

As we move deeper into 2013, we continue to integrate the work of TSC and the Index into our business. We began by developing scorecards based on TSC's Key Performance Indicators, which allow our buyers to evaluate supplier performance against the biggest issues and opportunities across the life cycle of their products.

By the end of 2012, we had applied the Index to 190 categories, accounting for 30 percent of Walmart U.S. sales. More than 250 of our Walmart and Sam's Club buyers have been trained on the Index in their

categories, and we continue to expand these tools to all buyers. Buyers are using these tools in buy trips, line reviews and annual business planning, and they have launched projects across our business to work with suppliers on driving improvements. Beginning in 2013, buyers in the U.S. and key leaders in our global sourcing network will have sustainability objectives on their evaluations to ensure these projects get traction. The Index will also begin to influence the design of our U.S. private-brand products, which represents another significant step forward.

### Utilizing the Index

These are a few of the many ways our buyers are leveraging the Index to engage suppliers and address hotspots.

#### Toys

The toy team has integrated the Index into its regular business meetings, including reviewing results and discussing improvement opportunities with suppliers on buy trips to Asia in October 2012 and at buyers unit breakout sessions at Walmart's Year Beginning Meeting.

#### Adult beverages

The adult beverage merchandising team recently hosted a summit to bring sustainability teams together with our suppliers for discussions on key Index hotspots, including water, fertilizer and packaging.



#### Grain-based items

Several of our buyers are collaborating with suppliers to map the grain supply chain and develop regional approaches to fertilizer optimization, a key hotspot highlighted by the Index. This project includes hot and cold cereal, crackers and cookies, commercial bread, refrigerated dough and cream cheese, and more.

## Consumer engagement

In addition to driving improvement across our supply chain and integrating this into our business, we believe the work of TSC will one day allow us to engage our customers through industry-leading transparency into the sustainability of products. It will provide them with information about products in a simple, easy-to-understand manner, helping them save money while they help their families, and the world, live better.

## 5 percent reduction in packaging

Packaging represents a tremendous opportunity as we work to reduce waste, be more efficient and partner with our supply chain. We work directly with our suppliers and partner with leaders in manufacturing, academia and government, and other key stakeholders to drive progress in packaging.

We've been working to reduce packaging in the products we sell by 5 percent by 2013, compared to our 2008 baseline. We achieved this milestone through a variety of multiyear initiatives to eliminate unneeded packaging components, reduce the mass of our remaining packaging materials and optimize the performance of the packaging we use in each product category. When we began this effort in 2007, there were no effective packaging reduction metrics used commonly within the packaging or retail industries, but working with packaging manufacturers, consumer products companies and a group of government entities and NGOs, we developed the Walmart packaging scorecard and the methodology for measuring and improving the environmental impact of the packaging we use.

By focusing on the GHG emissions that result from each unit of packaging we use, our suppliers have partnered with us to reduce the overall GHG impact of our packaging by an average of 9.8 percent in our Walmart U.S. stores, 9.1 percent in our Sam's Clubs in the U.S. and 16 percent in our Walmart Canada stores.



# Sustainable agriculture

Food production must increase roughly 70 percent to feed the estimated 9 billion people who will inhabit the planet by 2050.

(Source: U.N.)

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've set out to form direct connections between farmers and markets, reduce food waste, motivate farmers to optimize agricultural inputs and sustainably source key agricultural products. By doing so, we're strengthening local farmers and economies, while providing our customers around the world with long-term access to affordable, safe and sustainable food.



Support farmers and their communities

Produce more food with fewer resources and less waste

Sustainably source key agricultural products

**Commitment:**  
 Sell \$1 billion sourced from 1 million small and medium-sized farmers in emerging markets by the end of 2015

## Support farmers and their communities

Our vision is to engage with small and medium-sized emerging-market farmers and support the sustainability of their farming practices and their ability to gain market access. Since we announced our sustainable agriculture and women's economic empowerment commitments, we've made considerable progress and continue to invest in the relationships and resources that will benefit small and medium-sized farmers and their communities.

### Small and medium-sized farmers

Increased agricultural productivity and market linkages for small and medium-sized farmers are important in addressing the critical issue of food security facing our world. That's why we committed to selling \$1 billion sourced from 1 million small and medium-sized farmers in emerging markets by the end of 2015.

We initially focused on where we have the most direct relationship with growers in our emerging market retail operations – our produce business. In 2012, we sold an estimated \$380 million in produce sourced from 15,500 small and medium-sized farmers in our Argentina, Brazil, Central America, Chile, India and Mexico retail operations.

In consultation with development organizations, we define small and medium-sized farmers as those with 10 hectares or less, with the exception of upper-middle-income countries, where agricultural holdings are generally larger.

We're now expanding our engagement to include staple and cash crops, such as cotton, that depend on smallholder farmers. Within these crops, we're focused on select private-brand categories such as coffee, cashews and apple juice, and cotton towels and bedding. Private brands are



those sold under our house brands such as Great Value, Daily Chef and Mainstays. Taking steps to establish visibility will help us identify opportunities for increased efficiency and engagement with these growers.

### Measuring income impact

We're focusing on measuring the impact on farmer income in retail markets with the largest number of smallholders. In China, the University of California, Davis, and the Chinese Center for Agricultural Policy are working together to conduct an income assessment of produce production bases that supply Walmart China and other retailers. Their research includes developing an income scorecard, a cutting-edge method for measuring farmer income compared with conventional development measurement methodologies. In the coming year, the University of California, Davis team will work with us to evaluate the feasibility of conducting an income assessment in a second market.

### Focus on training

In 2010, we committed to training 1 million farmers and farmworkers, of which we expect half to be women, in emerging markets by the end of 2015. The following year, we announced our Women's Economic Empowerment platform and a complementary goal of training 500,000 women in the agriculture value chain in emerging markets by the end of 2016. We've aligned the two goals and have expanded the scope to include a broad range of agricultural products including staple and cash crops such as cotton. By the end of 2012, we had contributed to training 150,000 farmers and farm workers, of which about 33,000 – or 22 percent – were women. We have funded additional training projects in China, Brazil, Nigeria and India, and continue to search for opportunities to invest in meaningful projects targeting women.

### Training highlights

- In collaboration with the nongovernmental organization TechnoServe, we launched the Ezemvelo Direct Farm Programme in South Africa by providing technical assistance to small and medium-sized farmers in the areas of crop selection, planting calendars and more. We're now sourcing the first harvests from these farmers.
- Walmart and the Walmart Foundation are working with 9,400 small and medium-sized vegetable farmers in India to address productivity gaps and supply chain inefficiencies in Delhi/NCR, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh, Rajasthan, Maharashtra, Karnataka and Andhra Pradesh.

## Produce more food with fewer resources and less waste

### Investment in cold chain

Globally, we're in the process of investing more than \$1 billion between 2010 and 2015 in our global fresh supply chain. This investment will allow for the delivery of fresher, higher-quality food with a longer shelf life, in a cost-effective and reliable manner.

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.





## Sustainable agriculture *continued*



### Leveraging the Sustainability Index

The sustainability hotspots associated with many fresh and dry food products tend to occur far upstream in agriculture and ranching. So we're utilizing the Sustainability Index and working closely with those upstream producers to make progress in reducing environmental impact and improving sustainability.

Many of these issues are related to specific inputs, such as water, fertilizer, land conversion and energy. The valuable information available through the Index is helping us understand what programs and practices our suppliers have in place and what additional steps can be taken to ensure the responsible use of these resources. These efforts continue in products ranging from cereal to wine.

The following details some of the critical hotspots we're working to address in the area of milk production:

- **Enteric methane from dairy cows:** Enteric methane from ruminants, such as dairy cows, contributes to climate change and photochemical ozone formation.
- **Dairy processing, energy use:** Energy is consumed in the processing and refrigeration of milk, which directly contributes to ozone-depleting emissions.
- **Land transformation and forest clearing:** Removal of land cover affects habitat and changes soil temperature and moisture, which causes declines in terrestrial and soil species. Sedimentation and changes in water temperature from land cover removal result in loss of aquatic species.

## Sustainably source key agricultural products

### Seafood

Over the past half century, demand for seafood has increased fivefold, with estimated three-quarters of the world's fisheries at or beyond sustainable limits. Meanwhile, an estimated 1 billion people rely on fish as their primary source of protein, while another 200 million depend on the industry as their main source of income, according to [seafish.org](http://seafish.org).

Walmart U.S. and Sam's Club require all fresh and frozen, farmed and wild seafood suppliers to become third-party certified as sustainable, using Marine Stewardship Council (MSC), Best Aquaculture Practices (BAP) or equivalent standards. We require currently uncertified fisheries and aquaculture suppliers to develop work plans to achieve certification.

Walmart U.S. and Sam's Club support 16 fisheries that participate in credible public fishery improvement projects: Russia Far East crabs and Guyana Seabob are new Fishery Improvement Plans (FIPs) catalyzed by our commitment. Merchants have adjusted sourcing locations on several species to support fisheries with improvement plans. As of Feb. 1, 2013, 69 percent of all wild fish being purchased are either MSC certified or under assessment. Twenty-one percent of wild fish being purchased have initiated creditable, public FIPs. Nine percent of all wild fish being purchased have plans initiated to move toward FIPs.





## Beef

As a country, Brazil is the second-largest producer of beef and has been the top global exporter since 2004. Beef cattle production represents the leading driver of deforestation in the Amazon, so Walmart Brazil is leading our global corporate initiative to ensure we lead responsibly on this critical issue.

In 2012, Walmart Brazil developed our Amazon Beef Risk Management Platform, which will continually be updated with the public and geographical information necessary to address supply chain risks specific to Brazil.

- Determined 30 percent of the Brazilian beef processing plants that supply Walmart Brazil are in the Amazon biome.
- Mapped the social and environmental risks of the municipalities within a range of 300 km, based on the following criteria: deforestation, indigenous lands, protected areas, embargoed areas and slave labor cases.
- Registered one supplier and 71 ranches (productive units) that supply slaughterhouses with cattle.

Walmart Brazil also established a relationship with The Nature Conservancy (TNC) to develop a responsible cattle-raising model in the São Félix do Xingu region in Pará state. This municipality has the largest beef herd in Brazil and significant conservation value for the Amazon. This work will be developed over the next three years.

## Palm oil

The demand for palm oil in thousands of everyday products has contributed to significant deforestation around the world. Our ASDA business leads our Global Palm Oil Project, focused on sourcing only sustainable palm oil for all proprietary brands across our global operations by the end of 2015.

Since 2011, all palm oil used by ASDA has been sustainably produced. In addition, Sam's Club became the first retailer in North America to introduce a product featuring the Roundtable on Sustainable Palm Oil's (RSPO) Sustainable Mixed Palm Oil logo. And we remain focused on expanding our reach further than our own usage. In 2012, we:

- Established a relationship with World Wildlife Fund (WWF), RSPO and the Consumer Goods Forum to hold a summit to bring major companies together to focus on mutual support of common goals.
- Produced a catalog detailing the availability of sustainably produced palm oil across all Walmart markets—an industry first.
- Piloted RSPO's greenhouse gas calculator with a major grower in Central America and initiated critical improvements.





# Supply chain GHG



## On target to reduce GHG emissions by 20 million metric tons

**Our goal to eliminate 20 million metric tons (20 MMT) of greenhouse gas (GHG) emissions from our global supply chain over five years by the end of 2015 is purposely aggressive. With supply chain GHGs being many times larger than Walmart's direct emissions, seizing the opportunity to leverage our size and scale to positively impact the world requires innovation.**

This trailblazing commitment to supply chain sustainability meant there was no predefined road map to success. Even the smallest of projects involves trust partners and often complicated implementation plans, and can take more than a year to launch. We've learned a lot and have adjusted our course more than once, but we're proud of the results coming that will soon begin to multiply many times over.

In partnership with our suppliers and customers, we've eliminated more than 2.3 MMT of GHG emissions. We project our implemented and near-complete innovation initiatives will deliver more than a cumulative 8.5 MMT of GHG emissions by 2015 and more than 16.5 MMT by 2020. We're confident that our broader portfolio of innovation projects has the potential to meet our goal by 2015.

## Lessons learned

Along the way, we've learned several valuable lessons that have become instrumental in our everyday work toward this goal:

### Balance driving innovation with accounting

It's crucial to make sure we quantify in a credible fashion, but we also need to be nimble enough to drive sustainability innovation. For each GHG Innovation project, we develop the best set of assumptions and methodologies we can in partnership with key NGO partners such as the Environmental Defense Fund. Recognizing that we're accurate but maybe haven't anticipated every contingency, we plan to make our key assumptions available online at [www.walmartsustainabilityhub.com](http://www.walmartsustainabilityhub.com).

### Balance risk and opportunity

High-risk, high-reward initiatives include systemic innovations such as driving agricultural efficiency and creating markets for wasted materials. Examples of smaller-scale projects that cumulatively make a big difference include packaging reductions and retreading tires.

### Capture and celebrate innovations

We celebrate success stories and recognize the suppliers who help make them possible. At [www.walmartsustainabilityhub.com](http://www.walmartsustainabilityhub.com), our suppliers and others can communicate these stories.

### Leverage the Sustainability Index

The Sustainability Index rollout to hundreds of merchants and categories at Walmart has built momentum and revealed new GHG innovation opportunities. For example, the personal computers scorecard identified energy-saving opportunities for our consumers that we believe could reduce GHGs by approximately 75,000 MT.



## Projections and sampling of project portfolio

### Implemented projects

#### Food waste

*2 MMT achieved, 4 MMT projected by 2015, and 7.5 MMT by 2020*

Our landfill diversion program (see page 60 waste section of GRR) avoids methane emissions by composting food and offsets the carbon footprint of some food production by donating to Feeding America. For every five pounds of chicken we donate, we eliminate 24 pounds of CO<sub>2</sub>e that would have been produced at a landfill and was needed to bring that chicken to our stores.

#### Walmart Brazil End-to-End

*3,000 MT achieved, 12,000 MT projected by 2015, and 27,000 MT by 2020*

Walmart Brazil has challenged its suppliers to improve the sustainability of their products and packaging through the End-to-End program. Many suppliers met the challenge, including Ambev, a leading beverage supplier, by increasing recycled content of its Guaraná Antarctica PET bottle to 100 percent. This reduced emissions for this brand by more than 500 tons of CO<sub>2</sub>e.

#### CDP

*125,000 MT achieved, 16,000 MT projected by 2015*

Walmart entered into a partnership with CDP Supply Chain in 2006 to encourage our suppliers to disclose the emissions associated with the products sold in our stores. To date, Walmart has influenced more than 22 energy-efficiency projects at our suppliers, resulting in more than 125,000 tons of GHG reductions.

#### PET thermoform

*75,000 MT achieved, 450,000 MT projected by 2015, and 1 MMT by 2020*

Walmart Canada teamed up with industry partners to remove additional barriers to recycling nonbottle plastics: difficult to remove labels, use of fluorescent materials and mechanical issues at recycling facilities. Canada recently reported that 100 million pounds of nonbottle PET material was diverted from landfills in 2012, compared with only 8 million pounds two years earlier.

#### Associate engagement

Through the My Sustainability Program (MSP), our associates have reduced GHG emissions by more than 1,000 tons of CO<sub>2</sub>e by pledging to walk or bike to work, reduce shower time, wash clothes in cold water and replace incandescent light bulbs with more efficient CFLs. These activities have saved our associates close to \$200,000 on their collective energy bills.



## System innovation

As we proceed to the completion of the goal, we'll focus our efforts on the big-ton GHG opportunities, including:

#### Fertilizer optimization

As the largest grocer in the U.S., we recognize the importance of a safe, affordable and sustainable food supply. We aim to build on the heritage of U.S. agriculture by asking stakeholders and suppliers to develop, support and adopt tools, programs and information that help producers optimize nitrogen use, yield and profitability.

#### Recycled plastics

We require a significant amount of plastic packaging to properly secure the products we buy and sell. We aim to support market-driven efforts to increase the supply of recycled plastic available by partnering with suppliers, recyclers and municipalities.

#### Factory energy efficiency

Significant energy and cost savings are possible at many of the international factories that produce the products we buy and sell. We're actively exploring opportunities to leverage our scale in ways that integrate energy-efficiency technologies and practices into standard business procedures.

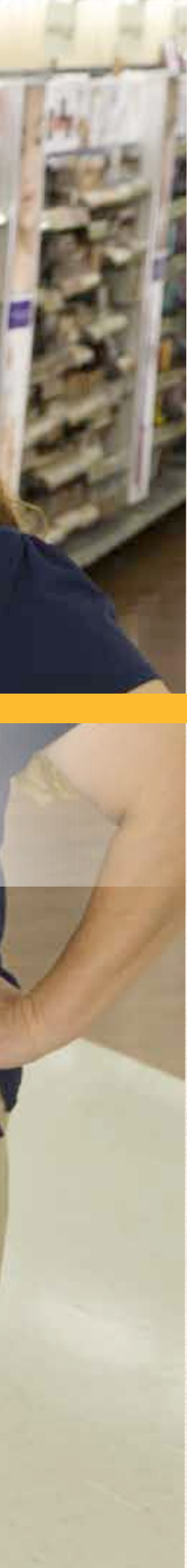




## Company responsibility







**T**he values our founder, Sam Walton, built our company on have fostered a unique, thriving corporate culture rooted in integrity.

Our customers trust us to be their advocate. Our suppliers trust us to be an equitable partner. And as Walmart associates, we trust one another to uphold our Basic Beliefs every day.

**Respect for individuals** – We embrace differences, encourage thoughts and ideas, and treat customers, suppliers and fellow associates with respect.

**Service to our customers** – We can exceed our customers' expectations if we give them superior service at every opportunity, provide the quality products they want at low prices and create a friendly, efficient shopping experience.

**Strive for excellence** – We embrace change and constantly reach further to learn from experience and – built on a foundation of integrity – bring new ideas and goals to life.



# 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.

## Key stakeholders

Associates

Customers

NGOs

Shareholders

Suppliers

### Associates

Regular communications and engagement, via channels including our WalmartOne.com site, monthly associate magazine, Associate Engagement Surveys and the Open Door. All associates are eligible for an annual evaluation. 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.

### Customers

Daily engagement with customers in our stores and clubs, and through select social media outlets, including our sustainability blog, walmartgreenroom.com. 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. Major projects from 2012 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](http://corporate.walmart.com/global-responsibility). In addition, we encourage people to contact us at [cassr@wal-mart.com](mailto: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 areas including climate change, poverty and resource degradation. We're proud of our part in this new movement of cooperation between companies and sustainability experts.

### My Sustainability Plan (MSP)

Through MSP, associates make voluntary commitments to improve their health, environment, communities and lives, which often inspire solutions toward our corporate sustainability goals. We provide structure and resources to help associates achieve their sustainability goals.

### Multistakeholder collaborations

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

## Stakeholder forums

### Sustainable Value Networks (SVNs)

### Live Greener Working Group (LGWG)

### My Sustainability Plan (MSP)

### Multistakeholder collaborations

### Currency exchange

Foreign currency conversions have been made using the average exchange rate from Feb. 1, 2012–Jan. 31, 2013. As a global company, we highlight the performance of our global markets, as well as the efforts taking place throughout our supply chain.

### Report structure

The structure of this report was based on the company's pillars for sustainability. The social and environmental indicators were obtained by internal survey and checks without the participation of external auditing.

### Customer 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.



## Governance



**We continually benchmark with other companies around the world and across industries to ensure best-in-class processes at Walmart. We're proud of our corporate governance policies and continue to strengthen our practices where appropriate.**

**Consistent with our commitment to sustainability and to our responsibility as a global corporation, our board has assigned oversight of these areas to the Compensation, Nominating and Governance Committee.**

For additional information on corporate governance policies and practices, please visit the corporate governance section of our website at <http://stock.walmart.com/corporate-governance>.

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 added an additional meeting in 2012 to provide more face-to-face interaction with management.

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) the Audit Committee, (2) the Compensation, Nominating and

Governance Committee, (3) the Global Compensation Committee, (4) the Executive Committee, (5) the Strategic Planning and Finance Committee, and (6) the Technology and eCommerce Committee. Each committee is governed by a written charter, which outlines its specific roles in our company's governance and achieving our company's business objectives.

Consistent with our commitment to sustainability and to 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.

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.



# U.S. public policy

## Public-Private Hunger Partnership

We are a founding member of the National Conference of State Legislatures (NCSL) Hunger Partnership. The Hunger Partnership was created in late 2010 to raise the visibility of hunger in America and improve the availability of healthy food for hungry families. The Hunger Partnership has created a strong and vibrant network of legislators, legislative staff and private sector partners to identify innovative and successful programs. NCSL staff, led by the Hunger Partnership, has crafted bipartisan, balanced and concise materials and mechanisms to support legislators in their efforts to reduce hunger in America. At NCSL's 2012 Legislative Summit, Walmart led a Hunger Partnership session entitled "What Americans Think about Hunger." This outlined the thoughts of Walmart Moms and what they perceive as the most effective way to combat hunger and encourage healthy eating choices.

## SNAP/WIC Summit

In July 2012, we hosted state and federal regulators at our corporate offices in Bentonville, Ark., to discuss the importance of providing fresh, healthy food options for Supplemental Nutrition Assistance Program (SNAP) and Women, Infants, and Children (WIC) customers. Additional partners participating in the summit included the Food Marketing Institute (FMI), Food Research and Action (FRAC), Nestlé and Abbott Nutrition. It provided a forum to discuss how Walmart can partner with state agencies, vendors and retail organizations to ensure better delivery of benefits and experience to the customer.

## 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 2012 winners include Grand Rapids, Mich., and Beaverton, Ore.

## Alliance for Mainstreet Fairness

We're a member of the Alliance for Mainstreet 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 business. An online-only sales tax loophole currently disadvantages local businesses and puts those businesses at risk; we're working to level the playing field. Twenty states have enacted eFairness and/or consumer-use laws since 2008. Legislation has also been introduced in the U.S. Congress to remove outdated barriers, 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.

## Political engagement

Throughout the last year, we have worked to strengthen our commitment to provide additional transparency to our political engagement. This process led to the inclusion of this important issue in the 2013 Global Responsibility Report. Also, on February 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](http://www.fec.gov) and search the appropriate disclosure database for "Walmart."

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](http://lobbyingdisclosure.house.gov) and [soprweb.senate.gov](http://soprweb.senate.gov), which are maintained by the U.S. House of Representatives and the United States Senate.

The above links, as well as a link to our corporate government relations policy, are available on our public-facing Walmart corporate website, and additional information can be found at the 2013 GRR microsite <http://corporate.walmart.com/microsites/global-responsibility-2013>.



# Ethics and integrity



**“Personal and moral integrity is one of our basic fundamentals, and it has to start with each of us.”**

**—Sam Walton**

**Most inspiring  
associate stories**

**4,800**  
Nominations

**207,000**  
Votes

**We proactively promote ownership of our culture of integrity to all associates and stakeholders globally. The Global Ethics Office was established in 2004, and is committed to evolving with the company by ensuring that the tools and resources we provide stay relevant, while promoting and recognizing ethical decision-making across our operations.**

## Integrity in Action Award

We developed our Integrity in Action Award program to recognize 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 Integrity in Action Award program is based on voluntary nominations received from our associates. Global votes determine an award recipient from each country for the most inspiring associate. In 2012, we received more than 4,800 nominations and 207,000 votes from our associates around the world.

The following market recipients traveled to our corporate office in Bentonville, Ark., to receive their awards from Cindy Moehring, senior vice president and global chief ethics officer:

- **Gwen Beck, group benefits manager, Africa**
- **Eduardo Carvajal Moreno, sports associate, Argentina**
- **Sandra Tafula de Freitas, product manager, Brazil**
- **Hector Herrera, cart attendant, Chile**
- **Liu Jian, supervisor, office supply department, China**
- **Lok Nath, floor associate, India**
- **Masayuki Higuchi, distribution center chief manager, Japan**
- **Eva Martinez Lucio, waitress, Mexico**
- **Indira Chauhan, ethical trading, U.K.**
- **Kassie Zimmerman, RSR lift driver, U.S.**
- **Jenny Huang, senior business analyst, Global Sourcing**





**“We have a commitment to deliver to our customers, our shareholders and ourselves that we operate and we lead this organization in the most ethical manner that we can.”**

**–Bill Simon, president and CEO,  
Walmart U.S.**

### Leadership Speaks series

Our Leadership Speaks series is designed to provide globally applicable messages to associates about the importance of integrity at Walmart. The platform provides executives and external speakers the opportunity to share stories and discuss experiences and challenges in ensuring our values and culture are consistently applied and upheld across all markets, while recognizing the various cultural differences.

In 2012, we hosted two sessions in which 11 executives shared experiences related to integrity and culture. In May, members of the Sam’s Club leadership team participated in a panel for more than 350 associates, while Walmart U.S. leadership gathered in October to share with more than 500 associates at the corporate headquarters in Bentonville, Ark., and via satellite and video on demand to more than 700 associates, including 15 regional offices.

### Ethics education

The company focused on promoting integrity globally as an everyday behavior in 2012 by building toward a globally consistent ethics education experience for associates and integrating ethics content into existing functional-area training.

We made progress on a multiyear project focused on implementing foundational ethics education elements in our global markets. These foundational elements

integrate consistent ethics content in:

- (1) new associate orientation materials for field and Home Office associates,
- (2) Statement of Ethics e-learning modules for newly hired and existing Home Office associates, and
- (3) instructor-led ethics training for newly hired or promoted officers and other Home Office associates.

Significant accomplishments made in implementing these foundational elements include developing consistent e-learning and instructor-led ethics education content for use in global markets. We implemented the Statement of Ethics e-learning module in 80 percent of our corporate offices and in Global Sourcing, with plans to achieve full implementation in 2013. We also created a consistent ethics education experience for associates in the U.S. Home Office and field by expanding the audience reached through e-learning and instructor-led training, and refreshing content in new associate orientation programs.

In addition to focusing on the implementation of the foundational elements, we enabled the U.S. business to integrate ethics education into functional-area training. This enhancement provides area-specific ethics education for U.S. Home Office and U.S. field associates in areas such as Logistics, AP, HR, Merchandising and Operations.

### WalmartEthics.com redesign

In 2012, we redesigned our online helpline at [www.walmartethics.com](http://www.walmartethics.com) to provide associates with a single resource to access ethics-related materials in 14 languages via their desktop and mobile devices. Site traffic has increased by 75 percent, June 1, 2012, to Jan. 29, 2013, compared with June 1, 2011, to Jan. 29, 2012. We also improved user experience by refreshing frequently asked questions and customized images to reflect the individual markets.

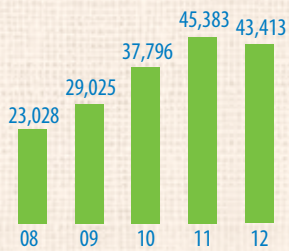


# Compliance

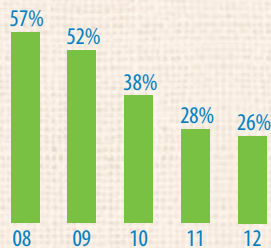


## Walmart global compliance

We've embarked on a journey to develop the finest compliance program in the world – a risk-based program that leverages technology and sets the standard for global companies. This effort brings together associates from each of the markets in which we do business to focus on a global approach to compliance.



Total Contacts by U.S. Regulators



Percent of U.S. Regulator Contacts with Exceptions

To accomplish this, we'll leverage our core values, our people and our commitment to get better every day. We're further integrating compliance into the processes and systems embedded in the company. By building compliance into what we already do well, we'll efficiently manage our compliance risks in a consistent and sustainable manner.

As part of these efforts, Wal-Mart Stores, Inc. has appointed a new global chief compliance officer, chief compliance officer for Walmart International and a global privacy officer. These compliance leaders have more than 60 years of combined compliance experience. Their efforts will be magnified by fully dedicated compliance and anticorruption professionals in the markets where we do business.

### U.S. corporate compliance: The right way, every day

The U.S. Corporate Compliance team supports proactive compliance with policies, processes and procedures that protect our customers, associates, communities and the environment. Our "Right Way, Every Day" operating philosophy creates and sustains a culture of compliance across our organization and allows us to provide products that are affordable and meet safety and legal standards. We seek to continuously improve by evaluating our programs for effectiveness.



In 2012, we completed more than 120,000 facility audits to monitor and respond to environmental, OSHA, food safety, privacy, financial services and other regulatory requirements. We also underwent more than 43,000 visits or inspections by regulators. Our proactive compliance efforts resulted in a significant decrease in the number of inspections that identified needed improvements at a store or other facility.

### Global Food Safety Initiative (GFSI)

At Walmart, we're proud of the way we work with our suppliers to make a greater positive impact. In December 2007, Walmart became the first U.S. retailer to require all private-brand suppliers and select categories of national-brand suppliers to certify that they meet at



More than **5 million** food safety checks per month

least one of the Global Food Safety Initiative (GFSI) internationally recognized food safety standards. Since implementation of this requirement, thousands of manufacturing facilities around the world have achieved certification based on our request.

To further understand the impact our requirement has had on the food industry, Walmart commissioned a research study by the University of Arkansas to quantify the impact on food safety being made by this global initiative. In the blind study published in the *Journal of Food Protection* (Vol. 75, pp. 1, 660-1, 672), 174 suppliers representing 406 manufacturing facilities were asked specific questions about their opinion on the effectiveness of the GFSI certification process and why they chose to pursue certification as well as basic company and product information.

The results of the survey showed that achieving certification on one of the GFSI benchmarked schemes resulted in several benefits for the food manufacturers. Suppliers agreed that GFSI benchmarking resulted in more thorough documentation of their food safety management system. Suppliers also perceived that the safety of their products was improved by adopting one of the GFSI benchmarked schemes. Based on the results of this survey, it is clear the adoption of the GFSI requirement by Walmart helped to make both their suppliers and their products safer.

### SPARK system

To assist our associates in executing critical food-safety-related tasks in our stores and clubs, we've adopted leading-edge information technology tools, including Sustainable Paperless Auditing and Record Keeping, or the SPARK system. Utilizing the newest handheld technology, Bluetooth communication and state-of-the-art, temperature-measuring devices, we've enhanced our food-safety management system at the front line, serving our customers.

The SPARK handheld system allows us to manage food safety with the highest level of confidence and visibility. It provides us the tools and data to react expeditiously to changing regulations and focus our resources on the real risks associated with foodborne illness. Additionally, by converting more than 5 million monthly food-safety-related checks and tasks to the SPARK system, we have eliminated the need for cumbersome, paper-based food-safety systems.

Providing innovative technologies, such as the SPARK system, to our associates not only results in greater efficiencies in our business but provides a platform for changing undesirable food safety behaviors while reinforcing those positive behaviors we strive to attain each and every day.

### SPARK features

- Web-based alerting to conduct scheduled food safety checks
- Icon-driven tasks tied to our key message (the Food Safety High Five)
- Prompted corrective actions
- Real-time reporting and data capture

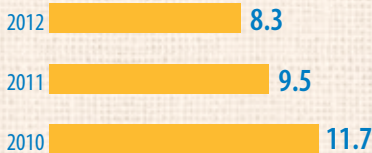




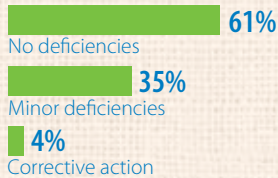
# Compliance *continued*



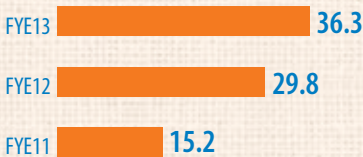
**Hazardous Waste from Retail Facilities**  
(in millions of pounds)



**2012 Environmental Compliance Inspections**



**EH&S Compliance Recycling Income**  
(in millions of dollars)



## Financial services

Providing customers financial services and products at Everyday Low Prices in a safe environment is central to our business. We continue to emphasize the importance of associate awareness in our consumer fraud prevention efforts. From 2011 to 2012, the number of associates trained in our financial services business increased from 33,520 to 61,691. In addition, we continued to make investments in compliance technology, including upgrades to our anti-money-laundering software platform. This has resulted in quality improvements and greater efficiency in our investigative and reporting processes.

## Environmental compliance

We're committed to preserving our natural resources and achieving full compliance with all applicable laws and regulations. Part of that commitment is ensuring that all of our facilities operate in compliance with federal, state and local environmental laws, including the management of environmental-related services across the country. Our more than 4,500 retail facilities in the U.S. were the subject of more than 1,800 compliance inspections by environmental regulatory agencies in 2012. No deficiencies of note were found in 95 percent of environmental inspections, with less than 5 percent resulting in a corrective action.

### U.S. hazardous waste minimization

In 2012, Walmart and Sam's Club retail facilities achieved a hazardous waste reduction of 12.5 percent over the prior year, a decrease of more than 1 million pounds. As the graph shows, this follows a multiyear trend of reductions. We attribute these results to enhanced training and execution of environmental programs at our stores and clubs.

### U.S. environmental services recycling income

Our continued commitment to developing and optimizing sustainable and compliant environmental service programs is the right thing to do for our customers and communities, and has also been proven to be a competitive advantage for Walmart. In several areas, including the management of materials such as used cooking and motor oil, spent lead-acid vehicle batteries and tires, we have moved from the expense of environmentally unfriendly disposal to the generation of income through recycling.

These sustainable practices have become major incentive components of performance-based contracts for environmental services in our stores and clubs. These contracts have been key in developing programs that strengthen compliance efforts by identifying the right solution to meet specific compliance needs. The combination of sustainable practices and rising commodity values has allowed Environmental Health & Safety (EH&S) Compliance to manage recycling and service programs to leverage costs and generate rising income year over year.

## Product safety

At Walmart and Sam's Club, we're committed to providing our customers and members with safe and affordable merchandise. We work hard to offer low prices so our customers can live better, but never at the cost of safety. We understand that safety is among the top considerations of our customers and members when choosing products, and we assure them we're working closely with our suppliers and government agencies to ensure our products meet or exceed regulatory standards.

If a customer or member has purchased a product they feel is unsafe or defective, they should stop using the item and call our customer relations department at **1-800-Walmart (1-800-925-6278)** for



Walmart, and 1-888-746-7726 for Sam's Club. Customers and members can also e-mail us by visiting [walmartstores.com](http://walmartstores.com) and clicking "contact us" at the bottom of the page. Your concerns are important to us, and we appreciate the time you invest in sharing them with us.

## Health and wellness

At Walmart, we comply with the law as we work to ensure patient safety. The new Health and Wellness Pseudoephedrine (PSE) National Strategy Plan in the U.S. allows us to further enhance compliance requirements by connecting all of our Walmart and Sam's Club pharmacy locations together through the Methchek system. This provides intracompany visibility to total purchases of PSE products.

Walmart will voluntarily lower the annual limitation on PSE from the current federal limit of 108 grams annually to 54 grams annually. The lower limit will decrease the amount of illegitimate purchases of PSE products while meeting the needs of our customers, particularly the core allergy sufferer.

The new program meets all current state and federal requirements and limitations. However, once a customer has reached the company PSE limit, we will ensure patient safety by restricting additional PSE product purchases at a Walmart or Sam's Club pharmacy.

## Employment

At Walmart, we have an obligation to ensure that each and every associate is paid for the time that they work and take legally required meals and breaks.

Our Exception Management System (EMS) assists us in monitoring and maintaining compliance with meal and break rules across the U.S. We've also implemented various timekeeping tools and technologies to

reduce the occurrence of meal breaks that are too short and to notify associates of missed punches. Examples of new tools include:

- **Clock out – lock out:** Prevents associates from clocking back in prior to the completion of at least a 30-minute meal break
- **Missing meal prompts:** To inform associates when they have missed a punch/swipe for a meal
- **Electronic time-off request process:** To improve accuracy

## Training

Employment compliance-related training continues to be a focus for our stores and clubs. At right are the top-five Employment Compliance-related training areas delivered via eLearning in 2012:

## Firearms compliance

We take seriously compliance with U.S. regulations relating to the sale of firearms by:

- Requiring all firearms on display to have a trigger lock and be secured in a locked display case
- Using an automated system to reduce the risk of error in firearm sales
- Video-recording all sales
- Prohibiting the transfer of firearms to customers until they pass the federal background check (Note: Some laws allow a sale to be completed after three days if the background check is delayed; however, Walmart requires that the background check be completed before the sale is finalized.)

Employment Compliance-related CBL Training (Data as of Dec. 31, 2012)	Associates Trained
Americans with Disabilities Act (ADA) (2 modules)	92,496
Equal Employment Opportunity (EEO) (7 modules)	896,430
Fair Labor Standards Act (FLSA) (3 modules)	310,126
Employment Eligibility Verification (I-9) (2 modules)	56,893
Sexual Harassment (7 modules)	75,553



# Safety



## Walmart U.S.: I own safety

At Walmart, we strive to make safety a core value aligned with our culture of respect, service and excellence. Achieving this high standard requires ownership on the part of every associate at every level of the organization.

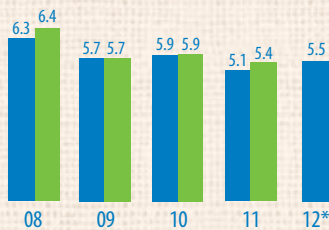
### Notable in 2012

- **Project SAFE:** We expanded this program to help regional general managers promote a culture of safety and evaluate associate engagement through Associate Opinion surveys and grassroots feedback sessions.
- **Safety Academy:** We developed a formal Safety Academy, designed to give our Market Asset Protection managers insight into the fundamentals that will help promote safety ownership in their markets. Setting high standards, educating our associates and encouraging their involvement in our shared responsibility make our stores safe places to work and shop.

### Walmart Logistics: Total safety culture

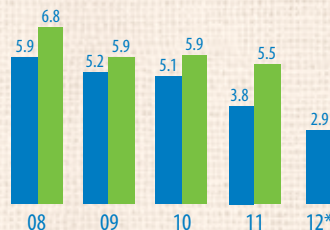
Walmart Logistics has gone nine consecutive years with recordable injury rates below the Bureau of Labor Statistics (BLS) industry average for General Warehousing and Storage. In 2012, the entire Walmart Logistics Network accelerated its rate of improvement by continuing to implement an Enhanced Behavior Based Safety Program.

In 2012, the Walmart Logistics Network implemented a new behavioral observation process where associates are observed, with permission, and provided feedback on sound work technique and postures as well as other safe work behaviors. Observation information is loaded into a data tracking system for trending purposes. These observations provide our logistics leaders and associates a way to actively care for one another.



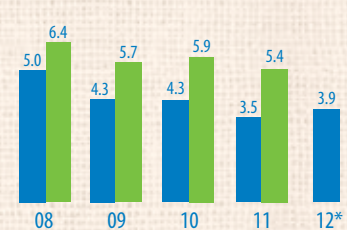
Walmart U.S. – OSHA Recordable Incident Rates vs. Industry

■ Walmart  
■ Warehouse Clubs & Superstores



Walmart Logistics – OSHA Recordable Incident Rates vs. Industry

■ Walmart Logistics  
■ BLS Warehousing and Storage



Sam's Club – OSHA Recordable Incident Rates vs. Industry

■ Sam's Club  
■ Warehouse Clubs & Superstores

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 represent the equivalent of 100 employees working 40 hours per week, 50 weeks per year, and provides the standard base for the incidence rates.

\*2012 industry data not available.

Industry Data Source: Bureau of Labor Statistics (BLS.gov), NAICS Code 49311

Incident Rate = Number of injuries and illnesses X 200,000/Employee hours worked

Note: The 200,000 hours in the formula represent the equivalent of 100 employees working 40 hours per week, 50 weeks per year, and provides the standard base for the incidence rates.

\*2012 industry data not available.

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

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\*2012 industry data not available.

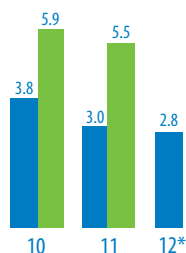


The Walmart Logistics Network saw a 26 percent year-over-year improvement in our recordable injury rate, which is 47 percent less than the BLS Warehousing and Storage Industry average. Additionally, we realized a 27 percent year-over-year improvement in our Days Away, Restricted or Transferred (DART) rate, which is 33 percent less than the BLS Warehousing and Storage Industry average.

## Walmart Transportation

The Walmart Transportation Incident Rate has been improved through increased focus on unsafe work practices and awareness through our Injury Prevention training program. Proactive monitoring of unsafe acts has resulted in increased accountability and improved driving behaviors.

On-board safety systems added to our trucks include forward-looking radar with interactive cruise control, roll stability control and electronic stability control. These have contributed to a reduction in crashes involving our fleet of more than 7 percent.



### Walmart Transportation – OSHA Recordable Incident Rates vs. Industry

■ Walmart Transportation  
■ Industry

Industry Data Source: Bureau of Labor Statistics (BLS.gov), NAICS Code 49311

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.

\*2012 industry data not available.

## Sam's Club: Maintaining a safe environment

Maintaining a safe environment for our associates and members has always been at the core of Sam's Club values. We've maintained a strong safety culture by training and educating our associates on the importance of being proactive and integrating safety into all aspects of our operation. Since 2008, the Sam's Club OSHA recordable incident rate has been on average 27 percent lower than the industry recordable incident rate.

## Sam's Club: Associate involvement and teamwork

Teamwork is a key ingredient to achieving safety in our clubs. Many of our associates participate on our club safety teams, led by volunteer associates and a volunteer safety coordinator. The safety team works closely with management to:

- Educate associates on safety topics, club events
- Proactively discuss safety-related topics with associates
- Conduct safety reviews to identify and correct potential hazards

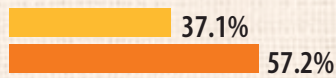




# Diversity

## Workforce: Accelerating and broadening our diversity efforts

### U. S. Workforce



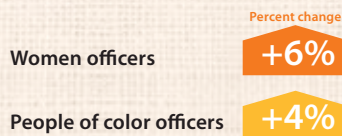
### U.S. Officers



■ People of color ■ Women



### Officer progress over last year



**Our vision is to be a global leader in diversity and inclusion. Our mission is to deliver on our customer promise of saving money and living better by leveraging the power of diversity in our workforce and by fostering an inclusive workplace. Our three strategic pillars are workforce, workplace and marketplace.**

- **Workforce:** Building a diverse global workforce to meet the rising expectations of Walmart’s Next Generation customer.
- **Workplace:** Nurturing an inclusive and collaborative culture to retain our talent and maximize their potential.
- **Marketplace:** Empowering our associates to make a difference in the lives of our customers and in the communities we serve.

Our diversity journey started in 2004 when the Office of Diversity was created at Walmart. We’re proud of the progress we’ve made during the past nine years but recognize that we have room for improvement. We humbly realize that diversity and inclusion is a marathon, not a sprint. Since 2010, we’ve increased our focus from diversity to diversity and inclusion. Over the past few years, we’ve added inclusion questions to our associate engagement survey, introduced inclusion

training worldwide and added gender identity and expression to our non-discrimination policy. We’re focused on building an inclusive culture and are working hard to ensure that Walmart is a great place to work for everyone. Each of our countries is focused on diversity and inclusion. Details about some of their diversity initiatives and results are found on the pages in this report dedicated to their specific country.

(all statistics as of 1/31/13)



## Workplace: Fostering an inclusive culture with measurement

Inclusion is rooted in our company's core values – respect for the individual, service to our customers and the pursuit of excellence – all built on a foundation of integrity. When we link inclusion to our business strategy and measure the progress on a regular basis, inclusion becomes a competitive advantage. The following illustrates steps we took in 2012 to ensure that advantage:

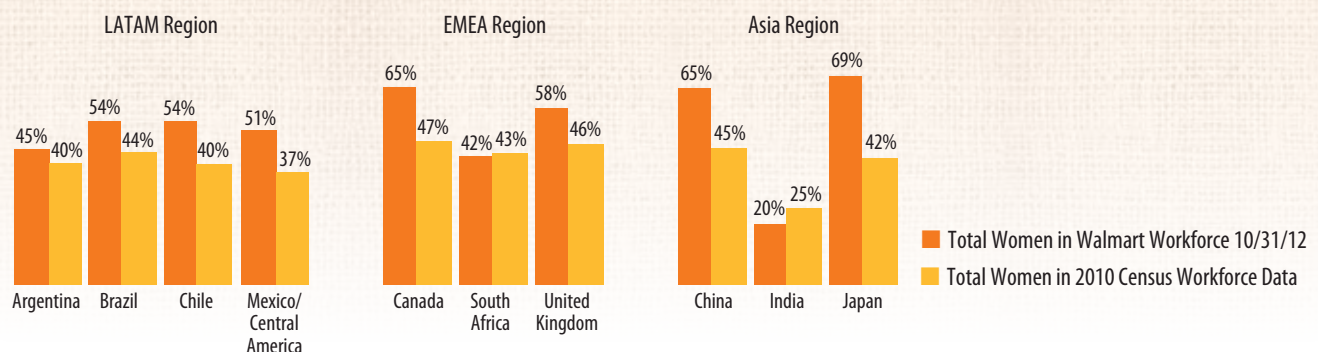
- Incorporated a standard Inclusion Index into our annual Engagement Survey in all markets. This enables us to measure our inclusion progress and to understand our associates' perceptions regarding inclusion.
- Partnered with InclusionINC to conduct a Global Inclusion Study, which explores country-specific perspectives about an inclusive workplace that drives engagement, innovation, retention and productivity. Nine of our countries have participated, and the findings will help us develop a diversity and inclusion strategy that addresses country-specific needs.
- Participated in the research for White Men Leading Through Diversity and Inclusion (D&I), led by Greatheart Leader Lab and Georgetown University. Our overall score of effectiveness on 12 key leadership competencies was above average, compared with other participating companies. It also identified areas we can improve upon, such as having effective conversations on how to engage white males along our diversity and inclusion journey.
- Continued conversations with our African-American associates at various levels to solicit their perspectives around our diversity and inclusion efforts. We formed focus groups to explore solutions and action plans to nurture an inclusive culture.
- Hosted the Women in Retail Summit, which focused on learning a game-changing program originally launched in Walmart Canada three years ago. Sixty associates from 11 countries gathered in Dallas, where they were challenged to create a Women in Retail Field Development Program in their home countries, using what they learned at the summit.
- Offered micro-messaging training as a way to create a more inclusive work environment and help us succeed in one of our greatest core values, respect for the individual.
- Empowered associates to achieve work-life balance through global flexibility initiatives. For example, we're empowering associates with the technology needed to work nontraditional hours and from virtual workspaces. While the look and feel of flexibility may vary from department to department depending on business needs, flexibility at Walmart is innovation in motion.
- Expanded Lesbian, Gay, Bisexual and Transgender (LGBT) Associate Resource Groups to the U.K. and to our San Bruno, Calif., Global e-Commerce location.

**77%**  
of store and club operations management started as hourly associates

Last year, of our hourly store/club associate promotions, **54%** were women

### Walmart International Region Breakdown

International Women Representation and Census data 2010\*



\*Census 2010: <http://databank.worldbank.org>. Census data defined as % of total gender workforce.



## Diversity *continued*

Direct spend with women and people of color suppliers

**\$8.9 billion**

Second tier spend with women and people of color suppliers

**\$2.7 billion**

Named to

**Top 50**

Companies for Multicultural Business Opportunity by *DiversityBusiness.com*

### Marketplace: Big and bold societal impact

#### Mi Futuro

Mi Futuro, our youth mentoring program, continues to make great strides in motivating at-risk youth in Hispanic-Latino and other communities in the U.S. to begin planning for their futures. Participants mentor eighth-grade students, with the goal of reducing high school and college dropout rates in these communities one student at a time. In 2012, the program reached 1,900 students in 32 states.

#### Supplier diversity

Walmart embeds its supplier diversity program into the company's overall strategic business objectives to articulate the value of inclusion in all business outcomes. We commit to increasing our spend with

businesses owned by people of color, women, veterans and people with disabilities, and ensuring an inclusive supply chain that meets the needs of our customers. By doing so, we help create economically sustainable communities.

We launched a Supplier Management Portal (SMP), a new technology that allows us to add value to the corporation and diverse businesses. It's a repository system that enables us to register diverse suppliers, track diverse spend, automate communication and generate reports by gender, ethnicity, region and more. SMP also has a kiosk component that allows us to register new suppliers in real time at expos. We registered 200 new suppliers during the 2012 National Minority Supplier Development Conference.

## 2012 Diversity and Inclusion Awards

### U.S.

**Top 50 Companies for Executive Women**  
National Association for Female Executives

**Best Companies for Multicultural Women**  
Working Mother Media

**50 Out Front Companies  
Best Places for Diverse Managers to Work**  
*Diversity MBA Magazine*

**International Diversity Innovation Award**  
*Profiles in Diversity Journal*

**2012 Top Supporters of the HBCUs**  
Career Communications Group Inc.

**Top 40 Companies for Diversity**  
*Black Enterprise magazine*

**Best Companies for Leadership**  
Hay Group

**Top 50 Companies for Latinas to Work**  
*Latina Style Magazine*

**100 Best Companies for  
Leadership Development for Women**  
*Diversity Woman magazine*

**Diversity & Inclusion Leadership Award**  
*Profiles in Diversity Journal*

**Top 50 Companies for Diversity & Inclusion**  
*UPTOWN Professional Magazine*

**50 Best Companies for People with Disabilities**  
*Careers & the disABLED magazine*

### International

**Walmart Brazil Named Brazil's Women's Empowerment Leader 2012**  
*The New Economy*

**Walmart Canada Named to Canada's 10 Most Admired Corporate Cultures of 2012**  
Waterstone Human Capital Inc.

**WalMex named the company in Latin America with the highest number of women serving on its Board**

**Walmart Mexico and Central America, 19th on list of Great Places to Work**



# Talent development

**Walmart understands how important our associates are to delivering on our mission. That's why we have programs that focus on developing the best talent across the organization. The Global Talent Management team develops existing talent through programs like Mentor Me, the Business Leadership Series and Leadership Academy, all of which impact associates across the globe. We work to ensure that our associates have access to optimum training and development programs to prepare them for the future.**

## Mentoring

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. The program allows associates to be active participants in their development by providing resources, tools and suggestions to drive effective mentorships.

In July 2012, we introduced Mentoring Express as a tool in the Mentor Me program that delivers quick, on-the-go discussion guides to maximize the time of mentors and increase effectiveness in a variety of fast-paced work environments, including stores and clubs. The resource has already been accessed more than 10,000 times by associates in the field and at our corporate offices.

## 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. Interns 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 2012 intern class receiving job offers. In the summer of 2013, we'll welcome our next group of 300 interns to Bentonville, Ark.

## Global leadership development

### Learn the Business, International and Domestic Audience

Monthly, one-hour program helping associates connect their work with other parts of the business.

### Leadership Core

Foundational, competency-based development for associates at all career levels to improve productivity.

### Leadership Foundations

Provides participants with an opportunities to learn and practice operational leadership and performance management skills. Such operational leadership and performance management skills focus on increasing associates passion for serving customers.

### HR Development Program

Monthly, one-hour program covering a variety of HR-related issues to help associates attain the necessary professional accreditation requirements. In 2012, more than 3,000 associates attended.

### Global People Academy

Overall framework for all HR Development programs, intended to prepare HR professionals for the next three to five years.

### Global Learning Management System

The Global Learning Management System provides delivery, assessment and reporting on the full scope of critical learning activities to our associates. In 2012, we launched 99,630,407 Learning Activities and 22,550,324 Total Associate Learning Sessions.



# Talent development *continued*

## High-potential programs

<p><b>Business Leadership Series 2.0</b></p>	<p>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 2012, 85 senior executives completed the program, 39 percent of whom were women and 17 percent of whom were people of color.</p>
<p><b>Key Leader Program</b></p>	<p>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 the program for a period of two years. In 2012, 48 percent of participants were women and 21 percent were people of color.</p>
<p><b>HR Development Program</b></p>	<p>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, corporate 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 2012, 45 associates completed the sessions, of whom 74 percent were women and 40 percent were people of color.</p>
<p><b>Emerging Leaders</b></p>	<p>Delivers the developmental needs of top talent within Human Resources on leadership competencies and business knowledge. The program audience consists of senior directors and directors from Global People, International HR, corporate 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 2012, 52 associates completed the sessions, of whom 50 percent were women and 25 percent people of color.</p>
<p><b>Global Leadership Institute</b></p>	<p>A selective program for high-potential director and senior director associates. This four-day session focuses on enhancing critical competencies, including strategy, global mindset and execution of results. In 2012, 384 associates participated in 31 sessions around the world.</p>

### 2012 Global Learning Management System Statistics

Walmart's Orientation programs and Job-Specific Training plans provide the opportunity for all new associates – from cashier to facility manager – to learn what it takes to be a Walmart associate, how to prosper in the Walmart culture and how to be the best at their chosen job. The company's Global Learning Management System provides delivery, assessment and reporting on the full scope of critical learning activities provided to our associates.

**Learning activities launched**

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**Total learning activities launched:** 99,630,407

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**Average learning activities per day:** 272,214

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**Average learning activities per week:** 1,905,498

**Learning sessions participation**

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**Total associate learning sessions in 2012:** 22,550,324

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**Average associate learning sessions per day:** 61,613

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**Average associate learning sessions per week:** 427,559



# Recruiting



As we grow our operations in the U.S. and globally, we're evolving our efforts to attract the best talent to our company. In 2012, Walmart hired approximately 477,000 associates, including more than 6,000 management associates.

## Enhanced careers website, mobile and social media

In an effort to communicate with today's tech-savvy job seekers, we continue to enhance our website, mobile applications and social media presence related to careers. These improvements positively impacted the 12.5 million users who visited more than 70 million pages on our careers site at [www.walmart.com/careers](http://www.walmart.com/careers). In 2012 alone, we averaged approximately 100,000 applications per month for corporate office, distribution center and store management opportunities. Highlights from 2012 include:

- Introduced a mobile platform to search and apply for all job openings, with the exception of store hourly positions
- Launched Walmart Careers on Instagram to provide an insider's view of what it's like to work for our company

## Recruiting technology that saves green

We use a virtual interviewing program that replaces the need to fly the typical three to five final candidates to Bentonville, Ark., for final-round interviews. The interviews are conducted in real-time, two-way communication with a recruiter or hiring manager. In 2012 alone, we saved approximately \$6 million by conducting more than 5,000 virtual interviews.

## Walmart careers channels via social media

LinkedIn	159,224 followers
Facebook	39,042 fans
Twitter	13,317 followers
YouTube	8,912 views



## 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 offer more than 1.5 million associates and their dependents competitively priced health insurance plans. For more information on compensation, go to <http://stock.walmart.com/corporate-governance/global-compensation-committee>.**

### 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.

- The lowest-cost full-coverage plan is \$8.70 per week for associate-only coverage and \$33.75 for families.
- We continue to pay the majority of premium plan costs for our associates – more than 75 percent, which exceeds other retailers. Our associates pay about half the average premium that other retail employees pay.
- Coverage offers benefits that include no lifetime maximum for covered expenses, preventive care covered at 100 percent and a company contribution of \$250 to help pay for medical expenses.
- Depending on their choices, many, but not all, associates saw a slight increase in premiums and out-of-pocket expenses, with a projected increase of about 4 percent.

Controlling the cost of coverage isn't just a challenge for Walmart; it's a national challenge.

### Eligibility requirements for associates

To help ensure continued compliance with new federal health care law, we changed the requirement for part-time associates in 2012. Hourly full-time associates are eligible for benefits after six months, while hourly part-time associates are eligible after one year of service if they work an average of 30 hours per week. Part-time associates hired prior to Feb. 1, 2012, were grandfathered under the old requirements, meaning they have to average 24 hours of work per week. Associates hired before Jan. 15, 2011, are not required to work a minimum number of hours to be eligible.



## Improving health care, market by market

### 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. The new Centers of Excellence program is being expanded from covering transplants, which began with the Mayo Clinic in 1996. This expansion provides 100 percent coverage for certain heart and spine surgeries, plus a travel allowance for the patient and companion at leading hospital and health systems in the U.S. These organizations provide our associates the opportunity for care at hospitals and medical centers geographically located 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 provide 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.

### Custom Performance Network

In addition to our new Centers of Excellence, in select markets we introduced a Custom Performance

Network. This special group of doctors and hospitals has been identified because they meet higher standards for quality and outcomes. Associates who use these providers will have lower out-of-pocket costs and can be assured that they are going to some of the best providers in their community.

### Canada: Just Ask program

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

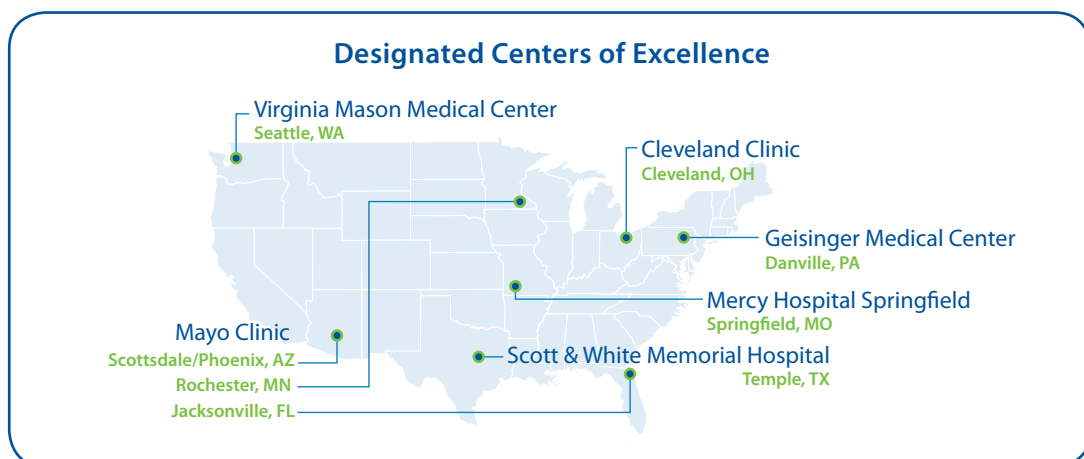
- Comprehensive education related to specific health conditions such as diabetes, high blood pressure and asthma
- Answers to questions about medications and self-care
- Follow-up management of a condition
- Personalized review of all medications, including prescriptions and over-the-counter medications
- 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 partnering 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 (WHO)
- 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 valuable information regarding how to help prevent certain health conditions such as diabetes, cholesterol and high blood pressure.





## Benefits and compensation *continued*

### 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. Since the matching contribution was introduced to the 401(k) Plan, the number of associates who choose to save for their retirement through the U.S. 401(k) plan has increased by 45 percent. We continue to work hard to encourage associates to save for their future.

### Associate discounts

In 13 countries, we provide a discount program for full-time and part-time associates on purchases in our stores, ranging from 5 percent to 10 percent. Discounted categories vary from country to country, and some provide additional discounts during the holidays. For example, over the past four years, we have provided U.S. associates a 10 percent discount on all products for the Christmas holidays. To align with our commitment to healthy 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.

## Associate engagement

**For more than five decades, our associates have served as a core ingredient of our growth and success. It's critical that we continue to build highly engaged teams and foster a work environment that helps associates serve customers.**

### Associate Engagement Survey

Sam Walton was a firm believer in listening to and learning from our associates. Our annual Associate Engagement Survey is an important tool to continue this tradition. In 2012, the survey was made available to more than 2.2 million associates and attracted a global participation rate of nearly 90 percent.

In addition to measuring associate engagement, the results represent the starting point for grassroots feedback sessions. In these sessions, our managers and associates partner to create detailed action plans to address opportunities and identify ways to raise and maintain engagement in their areas. In the U.S. alone, management implemented more than 15,000 action plans within three months of the results being made available.

### Evolving our Open Door policy

Our management believes open communication is critical to understanding and meeting our associates' and customers' needs. Associates can trust and rely on the Open Door; it's one of the most important parts of our culture.

### 2012 Global Associate Engagement Survey

**90%**  
participation

From the beginning, we've 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 system 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's concern remains unresolved, they contact their market or divisional team.
- Step 3:** If the associate's concern is still unresolved, they contact our Open Door Helpline, where an associate relations manager conducts an independent investigation.

This enhancement of the Open Door has been well-received, with the Open Door Helpline taking more than 22,000 calls to date, resulting in more than 747 independent investigations. This system has helped bring closure to concerns in a timely manner, reinforce our corporate culture and instill respect for the individual.



# My Sustainability Plan (MSP)

Defining personal sustainability one associate and one organization at a time

More than three years in, we continue to leverage our global size and scale to help people inside and outside the company live healthier, more responsible lives by adopting My Sustainability Plan (MSP). We estimate that more than 100,000 Walmart associates worldwide have adopted MSP, and in the U.S., associates engage online via the MSP tool on WalmartOne.

Through the MSP application on **WalmartOne.com**, U.S. associates are able to track goals, connect with fellow associates through social gaming elements and access resources to help them remain on target. It also enables us to more accurately aggregate associate participation levels and better understand the impact of their collective efforts. Long term, we envision one global online platform for us to communicate with associates and for them to access the resources they need.

Meanwhile, the number of organizations that have taken advantage of our royalty-free MSP licensing grew from 35 in 2011 to more than 100 in 2012. The license allows corporations, municipalities, school systems and nongovernmental organizations to access the program framework, curriculum, branding, artwork and research for internal adoption. Organizations such as Alaska Airlines, J.B. Hunt Transport, UPS and Unilever have taken advantage of this licensing opportunity, growing the collective impact of MSP and further positioning Walmart as a global leader in sustainability.

**100,000+**  
associates have  
adopted MSP

More than  
**100**  
organizations  
licensed

## MSP at a glance

In 2009, associates from 15 countries around the globe helped us define personal sustainability through the following 12 focus areas in three broad categories. With our acquisition of Massmart, we have since engaged associates in 12 additional countries across Africa. Our associates select personal MSP goals in these three categories and continually track their progress, while encouraging and inspiring each other along the way. This format allows everyone to understand how their individual actions, when combined with those of their 2 million colleagues, make a world of difference.



### My Health

Eat Healthy  
Get Active  
Quit Tobacco  
Reduce Stress



### My Planet

Save Water  
Reduce Waste  
Save Energy  
Enjoy Nature



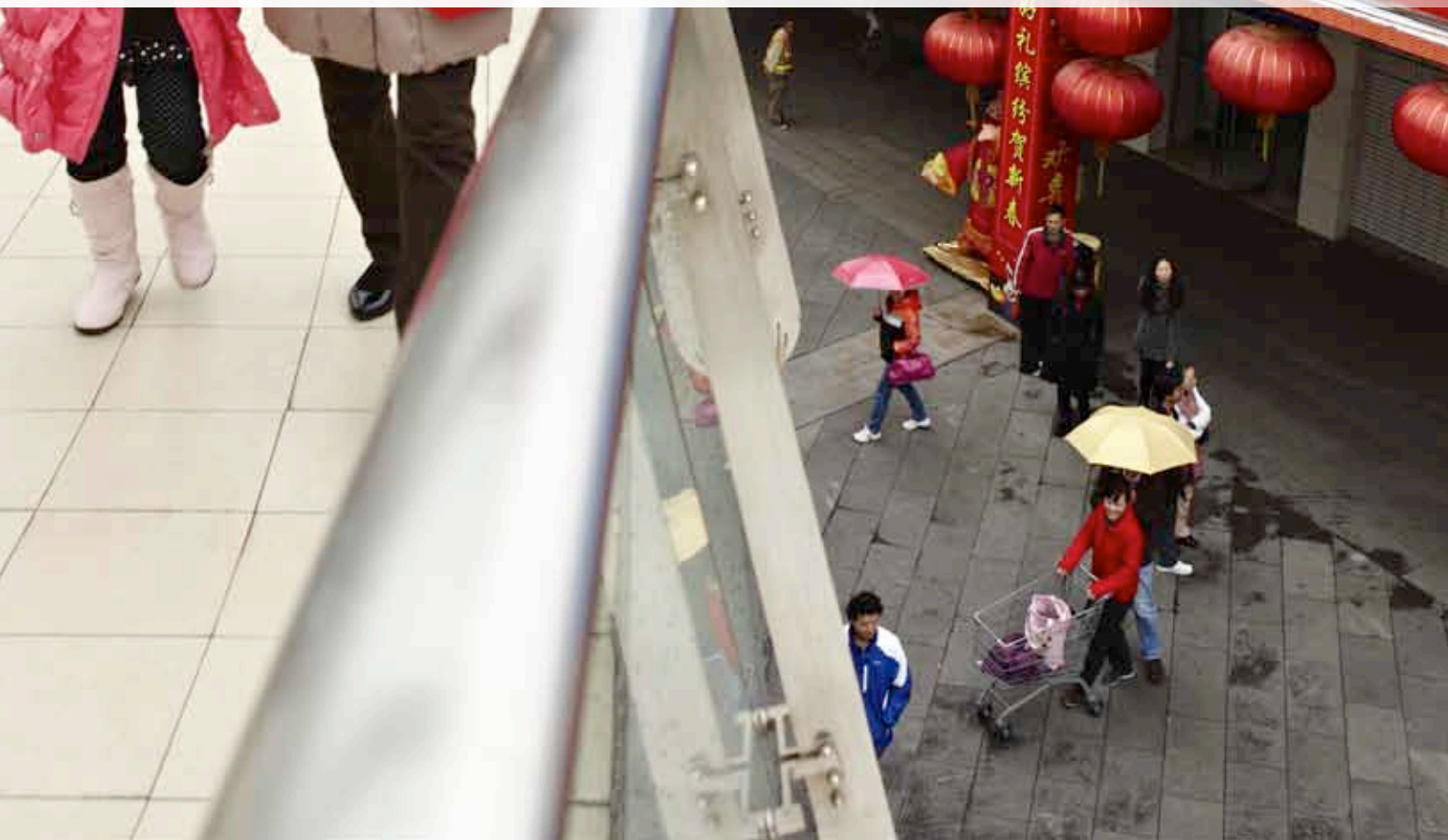
### My Life

Learn New Skills  
Manage My Money  
Make Quality Time  
Help Others





Local responsibility







**W**almart 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.



# Our company

## At-a-glance

Number of banners	69
Number of associates	2.2 million
Number of markets	27





## Our company

We serve our customers and members more than 200 million times per week at more than 10,000 retail units under 69 different banners in 27 countries, and generated \$466 billion in net sales in fiscal 2013. With more than 2.2 million associates worldwide, we generate job growth, increase tax bases and, through our Everyday Low Prices guarantee, lower the cost of goods in the communities we serve.

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.

## 2012 Sales by Segment



Walmart U.S.  
\$274.5 billion

Walmart International  
\$135.2 billion

Sam's Club  
\$56.4 billion

10,000+  
retail units



### Walmart U.S.

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](http://walmart.com).



### Walmart International

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 5,500 stores and more than 800,000 associates in 26 countries outside the U.S. and Puerto Rico.



### Sam's Club

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.



## At-a-glance

Formats

7

Banners

Builders Express, Builders Trade Depot, Builders Warehouse, Cambridge Food, CBW, DionWired, Foodco by Game, Game, Jumbo, Kangel, Makro and Rhino Cash & Carry

Stores

377

Market's  
corporate website

[www.massmart.co.za](http://www.massmart.co.za)

Market's  
sustainability website

[www.massmart.co.za/sustainability/approach.asp](http://www.massmart.co.za/sustainability/approach.asp)

*Store counts as of Jan. 31, 2013*





## Social responsibility

## Africa

Every year, Massmart contributes a minimum of 1 percent of profit after tax (PAT) to impactful corporate social investment initiatives. In 2012, we invested 3.1 percent in programs designed to address the root causes of some of Africa's biggest challenges.



### School nutrition programs

Our school nutrition initiatives involve the installation of mobile container kitchens. In 2011, an estimated 19.5 million meals were provided to schoolchildren. In 2012, we installed 50 additional container kitchens, and an estimated 38 million meals will be prepared per annum. In addition, our Vegetables Under Construction program promotes sustainable food production through the installation of vegetable tunnels at schools to provide fresh vegetables to learners. The project encourages communities to become self-sufficient in food production by making it easy to grow vegetables, helps provide regular access to nutritious food and can also provide an opportunity for income, as surplus crops can be sold to people living in local communities. We also provide regular food donations to Foodbank South Africa.

### Police and military family support

We maintain strong partnerships with the South African Police Services and the South African National Defense Force. In 2012, we donated back-to-school stationery hampers to 175 children of deceased officers, and 5,000 food hampers to families of soldiers deployed in conflict zones in Africa, under United Nations mandate. The back-to-school hampers contain essential stationery such as pens, pencils, math sets, calculators and exercise books that children need at the beginning of a school year.



### Small farmer market access

In 2012, we launched our direct farm program, Ezemvelo, to develop and diversify our local sourcing capacity in fresh produce. The program provides small farmers access to markets and, since August 2012, we've sourced 514 tons of locally grown vegetables, including butternuts, peppers and green beans.



### Anti-malaria initiatives

Malaria, a preventable and treatable illness, kills more than 1 million people each year in Africa. Massmart has responded by distributing insecticide-treated mosquito nets to communities where our stores are present in Africa, such as Malawi. This is in partnership with the adventurer and philanthropist Kingsley Holgate. Over the past four years, the Group has provided 13,500 mosquito nets. It's estimated that approximately 3,000 nets are able to save up to 10,000 lives. A family of four can sleep under a net, and the insecticide woven into each net can help to make entire communities safer by repelling mosquitoes.

# 12,024

## Micro-loans to women 2009-2012

### Developing rural women entrepreneurs

Our focus on women's empowerment includes our ongoing support of Women's Development Businesses (WDB), an NGO that loans funds to women running their own small businesses in some of the poorest communities in South Africa. From 2009 to 2012 we provided micro-loans to 12,024 rural women to grow their own businesses. These women are able to improve the quality of life for themselves and their families.





## Africa

## Environmental responsibility



### Environmentally responsible products

As part of our commitment to identify opportunities to promote more environmentally responsible products, our Massbuild division has partnered with Ellies Renewable Energy to showcase energy-efficient products in our Builders Warehouse and Builders Express stores. These “Green Stands” have resulted in the sale of more than 300,000 LED lightbulbs to date, setting the potential for 14 megawatts in energy savings for our customers.



### Water harvesting

South Africa is among the 30 driest countries in the world, so water scarcity is a significant environmental issue. Although Massmart is a moderate user of water, we're intent on minimizing unnecessary operational consumption. Examples include the rainwater harvesting program in place at our Builders Warehouse stores as well as condensation harvesting from refrigeration and air-conditioning units at our Makro stores.

### E-waste landfill diversion

It's predicted that by 2020, e-waste from old computers will increase by 200 percent in South Africa. In an effort to keep these potentially hazardous pollutants out of our landfills, we've partnered with Fujitsu Siemens to facilitate the collection of more than 334 tons of postconsumer e-waste, 97 percent of which has been diverted from landfills.

### Environmental supplier advocacy

Supplier advocacy forms a fundamental part of our approach to promoting more sustainable manufacturing and sourcing practices in our supply chain. Since 2009, we've worked with more than 750 suppliers through supplier advocacy surveys, engagement workshops and site visits to assess the environmental impact of operations. We continue to work with our suppliers around:

- Sustainable fishery management
- Water conservation in manufacturing
- Environmental impact of different supply chains
- Exploitation of natural resources and loss of biodiversity

### Seafood supplier advocacy and sustainable seafood sourcing

In 2012, we adopted sustainable seafood sourcing guidelines with the intention of promoting sustainable fishery management, ensuring responsible seafood sourcing and preventing the procurement and sale of threatened, endangered or red-listed fish species in our stores. To date, we have:

- Completed a marine advocacy survey of our seafood suppliers
- Compiled a sustainable seafood report
- Conducted a review of the seafood species currently being sourced by the group

By engaging with our suppliers, it has become apparent that they understand the need for more sustainable fishery management practices and are enthusiastic about working with us to improve seafood traceability and sustainability in our market.



## Impilo program

Africa accounts for an estimated two-thirds of HIV/AIDS cases and 24 percent of tuberculosis cases. Lifestyle illnesses, such as diabetes and obesity, are also of increasing concern. Despite these challenges, many still don't have adequate access to quality health care services, so Massmart is continuously 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 scheme, we offer a comprehensive subsidized wellness program called Impilo, which includes:

- HIV/AIDS-specific coverage and free anti-retroviral treatment for our HIV-positive permanent staff members and their spouses
- Free annual screenings for cholesterol, blood pressure, blood sugar and obesity
- Employee access to professional medical advice via a 24-hour helpline
- Access to counseling in a variety of focus areas



Impilo is one of the most comprehensive corporate wellness and HIV/AIDS prevention and treatment programs in South Africa.

## Diversity

Because of the legacy of apartheid in South Africa, we focus heavily on transformation and equity. Transformation isn't only morally right, but also commercially prudent. So we've aligned our efforts to the Department of Trade and Industry's BBBEE Code of Good Practice to ensure we contribute to a sustainable and equitable society.

- Currently, 88 percent of our associates are black (African, Colored and Indian).
- 78.5 percent of all managers are black.
- In our African stores, 98.2 percent of our workforce is local (this includes 89.3 percent of management positions).

We've also launched a Graduate Development Program (GDP) that identifies and provides qualified but inexperienced graduates with access to a structured program that offers practical work experience and related lectures. This initiative is aimed at educating black undergraduates and providing new black graduates with workplace experience. Since the GDP's inception in 2007, 239 graduates have completed the program.

## Massmart University

To ensure we have a robust and productive workforce, we offer a variety of educational training programs through Massmart University. The courses are designed to suit local industry challenges as well as our own strategic and process requirements. It's divided into four specific schools, including:

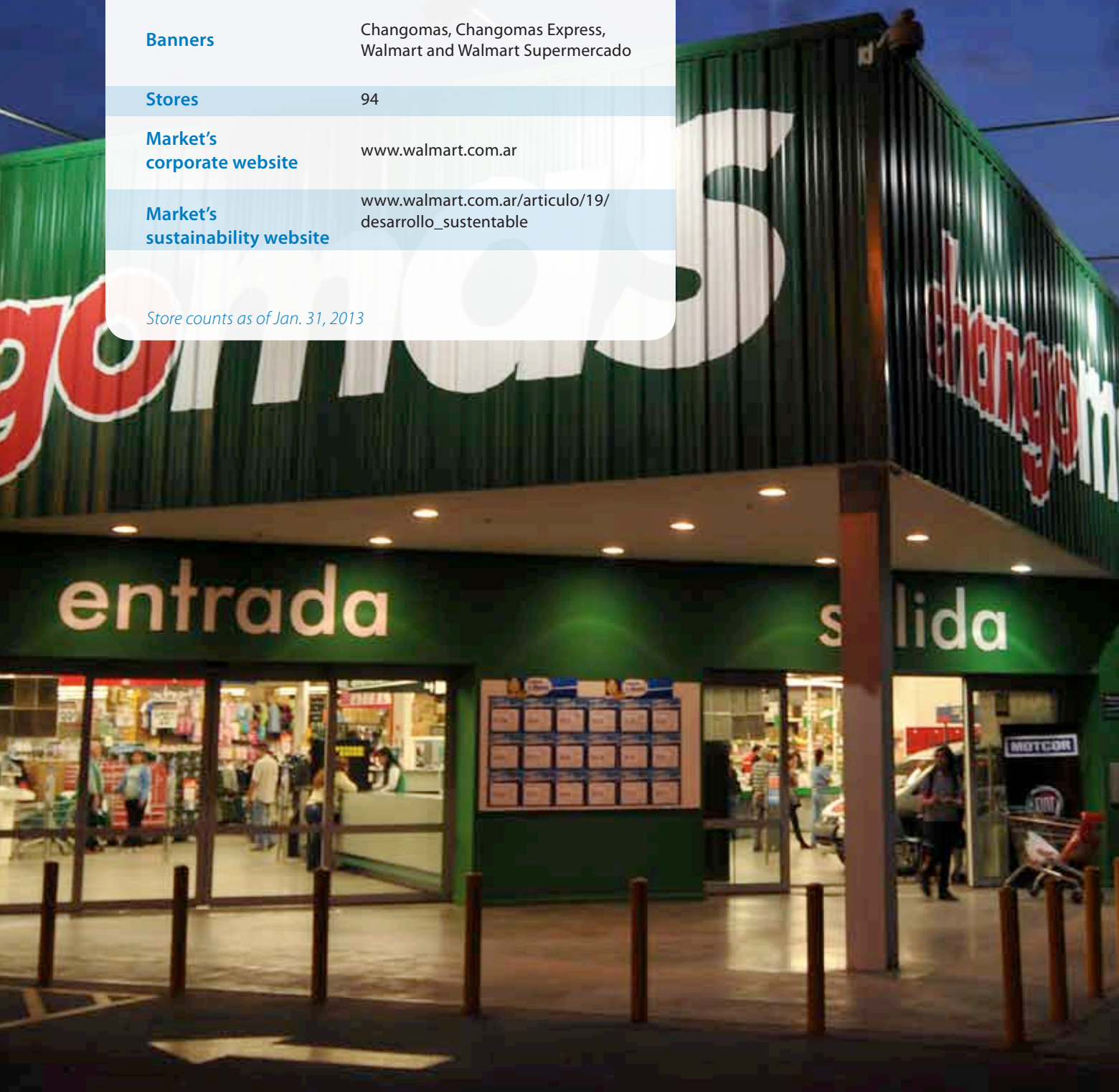
- **The School of Leadership Development:** Exposes senior decision-makers to executive development and leadership training.
- **The School of Retail Excellence:** Offers retail strategy and planning, merchant development, private-label management and retail executive learning experiences.
- **The School of Management Development:** Focuses on strategies for managers and senior leaders to unlock the full potential of their teams.
- **The Centre of Career Development:** Serves as the home of our alumni program as well as the graduate development program.



## At-a-glance

Formats	5
Banners	Changomas, Changomas Express, Walmart and Walmart Supermercado
Stores	94
Market's corporate website	<a href="http://www.walmart.com.ar">www.walmart.com.ar</a>
Market's sustainability website	<a href="http://www.walmart.com.ar/articulo/19/desarrollo_sustentable">www.walmart.com.ar/articulo/19/desarrollo_sustentable</a>

*Store counts as of Jan. 31, 2013*





## Community Outreach Councils

Community Outreach Councils are active at each of our stores, distribution center and corporate office. Each month, our associates carry out different volunteering initiatives that contribute directly to a local need. In 2012, our various Community Outreach Councils contributed with in-kind donations totaling over ARS1,200,000.



## Disaster relief

In 2012, flooding and hurricane activity claimed the homes and belongings of many families in Buenos Aires Province. In an effort to support relief and recovery efforts, Walmart Argentina contributed nearly ARS8,000 in kind-donations to La Matanza City Government and more than ARS18,000 worth of nonperishable goods and hygiene products, to the Social Development Ministry of Buenos Aires Province.

## Driving to Transform

On International Women's Day, Walmart and Ashoka launched the second stage of our Driving to Transform initiative, which fosters the development of social entrepreneurial projects led by young women in Mendoza, San Juan, Neuquén and Río Negro provinces. In alignment with Walmart's Global Women's Economic Empowerment Initiative, this program identifies the most innovative and

sustainable ideas that have the potential to positively impact local communities and support them with training programs, counseling and seed capital funding. When chosen to be part of the program, these young women are also joining Ashoka's international network of Young Agents of Change, which includes 65,000 young people from 20 countries.

## Nationwide Food-Raising campaign

Over the past 10 years, we've supported the Food Bank Network NGO in the fight against hunger. In 2012, we awarded a grant of ARS66,000 to the NGO in order to support its Nationwide Food-Raising campaign. During the 10th Edition of the campaign, 10.321 kilograms of food was collected for the Network via our clients through our Walmart and Changomas stores.

## Young Agents of Change empowers

**65,000**  
young people from  
**20 countries**



Argentina

Environmental responsibility



Small farmer market access

In 2012, we began working with Cooperativa Finca El Pongo, a group of about 80 small farmers in the city of Perico, located in the province of Jujuy. More than 30 percent of those farmers now supply us with produce. We offered four training sessions on the following topics: proper use of resources (water, soil, pesticides), facility hygiene and food safety, traceability, logistics and risk assessment. In July 2012,

our purchases from these farmers increased by 120 percent, compared with January 2012. In December 2012, purchases increased by 176 percent over January 2012. In addition to these quantitative improvements, we observed greater product quality and logistics, which made possible the incorporation of three new stores to the supply circuit.



plastic bag use  
reduced by  
**72%**



Plastic bag reduction

In May 2012, the government of Buenos Aires City launched a plan to reduce the use of plastic bags and promote waste separation. The plan called on retailers to deliver stronger and larger plastic bags in green and black. In August 2012, we implemented a holistic campaign at our 16 Buenos Aires stores that demonstrates the need to reduce plastic bag waste and provides discounts to customers who purchase bags specifically designed for waste and landfills. The campaign resulted in a 72 percent reduction of plastic bag consumption within the first three months of implementation, which equates to a company savings of approximately US\$71,951.

Earth Month

For the past four years, we've recognized Earth Month at our supercenter stores across the country. As part of this, we promote environmental awareness by highlighting more than 350 products that are more environmentally responsible. These include everything from low-consumption lamps and water-based paints to organic cotton bedsheets, all showcased on shelves designed exclusively for Earth Month. We also increase the presence of organic food items, such as juices, olive oil, flour and sugar, that use no agrochemicals and better protect soil and water quality.



1 US\$ = 4.55 ARS Peso  
2012 Average



## Family-responsible employer

Walmart Argentina, in a process led by its Gender Equity Council and HR, participated in an academic study led by the Spanish IESE Business School, together with the Argentina IAE Business School.

IESE created a model to assess companies, and included a model that demonstrates how “family-responsible” a company is. This model assesses the policies, practices and leadership of the company, as well as the cultural environment of the country. The specific company results are compared to a representative sampling of multiple industries across the country.

Walmart Argentina received a “B” ranking, within a scale that ranges from D to A.

Walmart Argentina was one of only four Argentine companies to be accredited as a “Family Responsible Company,” and it was the only retailer among those four. Additionally, this study provides valuable insights on specific areas we can focus on and design actions to further strengthen our company in this regard. We continue to work every day to raise the quality of life of our associates and their families, as well as the markets we serve.

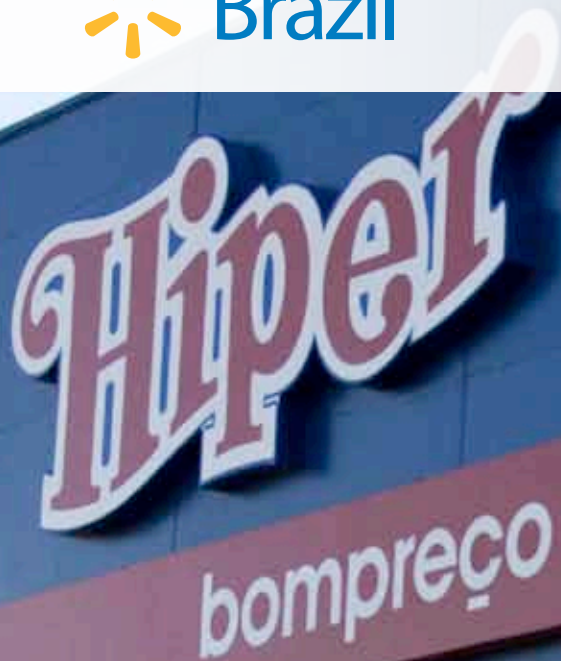


## Job creation and promotions

Job creation and promotion of our associates remains a top priority at Walmart Argentina. In 2012:

- 1,377 new associates joined Walmart Argentina stores, distribution center and corporate office.
- Our annual Grass Roots survey showed 80 percent commitment from our associates, a 10 percent increase over 2011.
- 32 associates were promoted with the opening of new stores.
- 179 associates completed programming at our Training and Development Center, CeCaDe (Centro de Capacitación y Desarrollo).
- 34 associates participated in our Managers Development Program, PDG (Programa de Desarrollo Gerencial), 30 engaged via Walton Institute.
- 8 associates were part of international development projects and assignments outside the country.





Hiper  
bompreço

## At-a-glance

Formats	8
Banners	BIG, Bompreço, Hiper Bompreço, Magazine, Maxi, Mercadorama, Nacional, Sam's Club, Supermercado Todo Dia, TodoDia, Walmart and Walmart Posto
Stores	558
Market's corporate website	<a href="http://www.walmartbrasil.com.br">www.walmartbrasil.com.br</a>
Market's sustainability website	<a href="http://www.walmartbrasil.com.br/sustentabilidade">www.walmartbrasil.com.br/sustentabilidade</a>

*Store counts as of Jan. 31, 2013*

FAÇA AQUI NA HORA

HiperCard

Medicamentos  
Genéricos

R\$ 9,90

FARMACIA

Genéricos





## Social responsibility

## Brazil

## Focus on women

We've completed the first year of our Corporate Movement for the Economic Empowerment of Women, also known as Women 360 Movement. This Walmart Brazil-led initiative aims for a 360-degree change in women's economic development by 2015. It involves commitments to develop women in the company, in the supply chain and in 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. In

December 2012, we held an event to celebrate and assess the initiatives carried out during this period, while transitioning it to a formal legal entity.

The Movement was recognized by the British magazine *The New Economy* as part of its 2012 Women's Empowerment Corporate Leadership Awards. The magazine took into consideration efforts made by organizations through policies and procedures to foster inclusion as well as corporate responsibility and sustainability commitments.




## Social School of Retail

Since 2010, Walmart Institute has developed the Social School of Retail, which focuses on providing young people ages 17-29 the professional training they need to work in retail jobs. In partnership with local governments, the program served around 1,500 young people – 64 percent of them women – in six Brazilian states in 2012. Walmart Institute was recognized by the Walmart Foundation, which acknowledged this program as a global best practice within the company and started a process to replicate the program in other countries in Africa, Asia and Latin America.



**64%**  
women  
in Social School  
of Retail

Walmart   
Instituto

## Bombando Cidadania citizenship program

For more than four years, the Bombando Cidadania citizenship program has promoted the local development of the Bomba do Hemetério district of the northern zone of Recife in Pernambuco state. During that time,

we've invested BRL5.6 million in 30 projects focused specifically on education, culture, entrepreneurialism, income creation, communication and the environment.

1 US\$ = 1.95 BRL Real  
2012 Average

**94%**

of participants report  
improved  
quality of life



**66%**

of residents proclaim  
positive impact  
on district life



Brazil

Environmental responsibility

Reduced use of approximately

**1.4 million plastic bags**



Renewable energy

Our stores officially began their migration to renewable energy in 2012, a move in which 49 units drew a portion of their energy consumption from small hydro-electric plants and biomass. We plan to expand the program's reach to 97 stores in 2013, accounting for about 40 percent of

our total consumption. This change will also eliminate the need for diesel generation at peak periods, which will reduce greenhouse gas (GHG) emissions and air and soil pollution.



Plastic bag waste

We successfully reduced the amount of disposable plastic bags distributed in our stores by 50 percent in 2012. A number of programs contributed to the reduction of approximately 1.4 million bags or 5,100 tons of plastic, including our program Responsible Customers Deserve a Discount. It offers a discount of BRL0.03 on every five products bought by consumers who don't use a plastic bag. The total value of this benefit came to BRL1.06 million, equivalent to 30 million plastic bags. From 2009 to 2012, we successfully reduced the consumption of one-time-use plastic shopping bags by 100 million.

Producer's Club

Over the past decade, our Producer's Club has grown to 10,500 households in 12 Brazilian states. It's become an important channel to promote income generation for small and mid-sized producers by providing a chain of Walmart Brazil stores they can sell their products to directly. In 2012, about 52 percent of the fruit and vegetables sold at our stores was sourced directly from producers, almost 23 percent of them small and medium-sized farmers. The program has also helped achieve the aim of the federal government's Brazil Without Hardship project to lift 16.2 million people out of extreme poverty.



## Company responsibility

## Brazil

## Sustainability training

In 2012, 94 percent of our associates completed the next stage in our continuing General Mobilization training program, which communicates the company's commitment to sustainability. The training has been carried out over the past six years and provides associates with tips they can use in their daily lives, at work and at home.

Since 2009, we've used a mix of interactive videos and group dynamics to cover questions on sustainability and highlight the importance to each individual of conscious consumption.



**94%**  
of associates  
completed  
General Mobilization  
training

## 100 Women in Leadership

In 2012, more than 102 women completed our 100 Women in Leadership program, which aims to prepare associates for the first and second levels of leadership in retail and wholesale. The program is divided into theoretical modules, on-the-job and supervised training, food safety audits, management development seminars and more. Of the 102 women who participated, 50 percent were promoted and 18 percent were waiting for new positions.

**50%**  
of participants in the  
Women in Leadership  
program  
were promoted

## Women Council

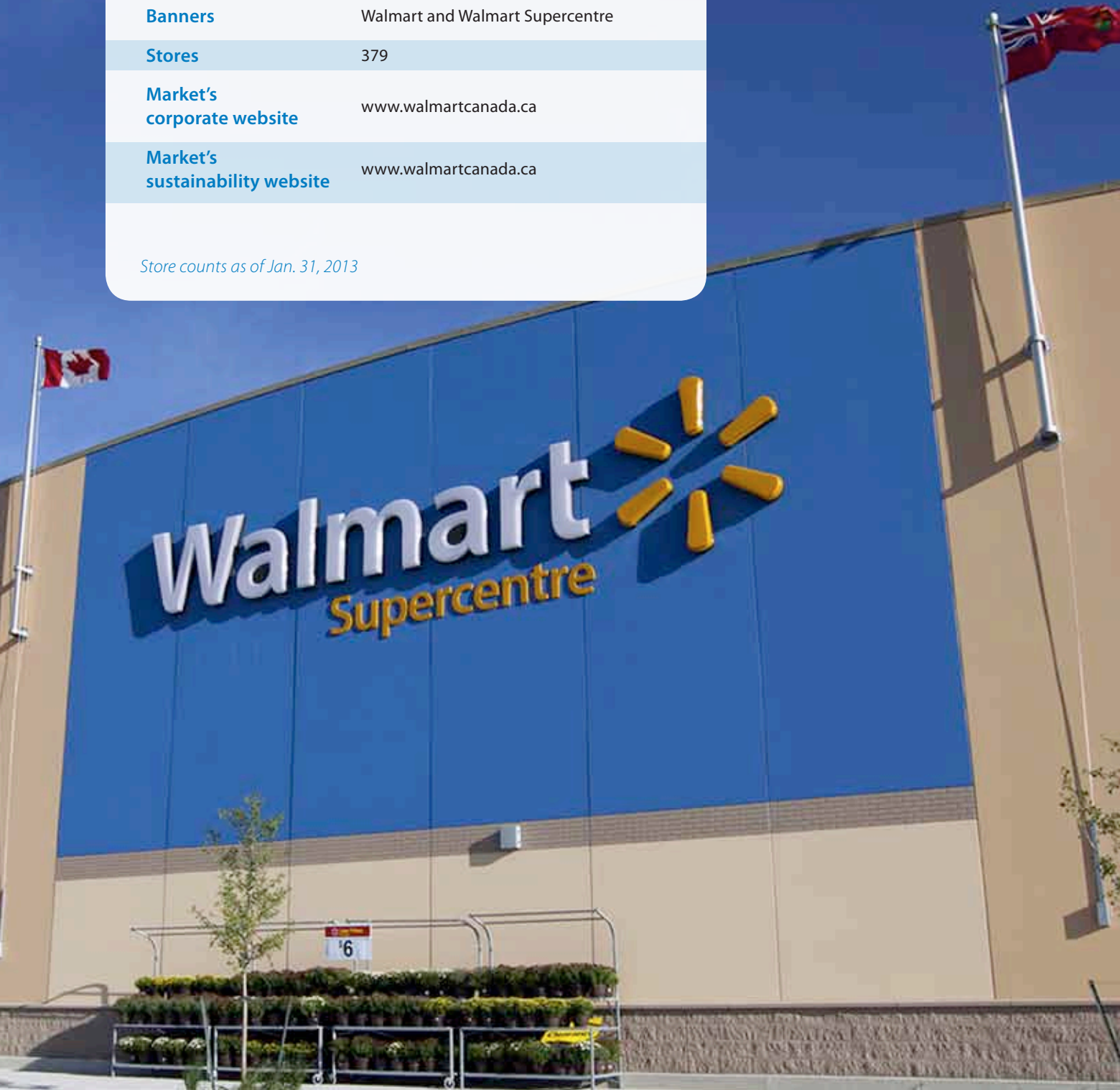
During 2012, Walmart Brazil's board of women, formed by 11 professionals from different areas of the company, led important actions to the development of talent and career, as the Mentoring Program for Women and as well as the training program of 100 Women in Leadership. Forty of our female managers and directors participated in the Investing in Women Leaders: A Positive Change conference, hosted by Walmart and the International Women's Forum. Another group of associates attended the Advancement of Women Conference, an event organized by Working Mother Media to focus on diversity and women's development.



## At-a-glance

<b>Formats</b>	2
<b>Banners</b>	Walmart and Walmart Supercentre
<b>Stores</b>	379
<b>Market's corporate website</b>	<a href="http://www.walmartcanada.ca">www.walmartcanada.ca</a>
<b>Market's sustainability website</b>	<a href="http://www.walmartcanada.ca">www.walmartcanada.ca</a>

*Store counts as of Jan. 31, 2013*





## Social responsibility

## Canada

## Helping Canadian families in need

Our commitment to helping families in need starts at the local level, and we have a proud history of strengthening the more than 300 communities we serve through charitable partnerships and initiatives. Since 1994, we've raised and donated more than C\$185 million for Canadian charities and nonprofit organizations. In 2012 alone, C\$14.2 million was raised and C\$8.6 million donated to help Canadian families in need.

## National charity partners

**Children's Miracle Network (CMN):** We contributed C\$8.3 million in 2012 and more than C\$76 million since 1994 to help ensure excellence in care for the more than 4,900 Canadian kids who go through the doors of a children's hospital each day.

**Breakfast Clubs of Canada (BCC):** We raised and donated C\$3 million in 2012 and more than C\$20 million since 2006 to support 1,215 BCC programs nationwide.

**Canadian Red Cross (CRC):** We raised and donated more than C\$2.8 million in 2012 and

more than C\$21 million since 2003. In 2012 alone, CRC responded to 2,321 disasters, and more than 46,719 people were directly assisted following various emergencies and disasters across the country.

**Evergreen:** We have contributed more than C\$4.9 million to the Evergreen/Walmart Green Grant program and have supported 433 projects since 2005. Evergreen serves as a leading national funder and facilitator of local, sustainable greening projects in schoolyards, parks and communities across Canada.



## Walmart Walk for Miracles

The Walmart Walk for Miracles is our signature charitable event, raising millions of dollars for Children's Miracle Network. This year marks the 10th annual walk, which will be held consecutively in 12 cities from coast-to-coast, including: Calgary, Edmonton, Halifax, Hamilton, London, Montreal, Ottawa, Saskatoon, St. John's, Toronto, Vancouver and Winnipeg.



## Community investment

In 2012, we contributed to the Canadian economy with C\$17.7 billion in payments to 4,985 Canadian suppliers and service providers. One example is Mabel's Labels, a woman-owned business whose personalized "labels for the stuff kids lose," was recently introduced at our stores across the country. Founded in 2003 by four moms in a residential basement, it has become a multimillion-dollar business based in Hamilton, Ontario.

Every dollar raised for Children's Miracle Network provides support for more than



**4,900 kids each day**

at 14 children's hospitals across Canada.

Last year BCC supported 1,215 breakfast programs and served more than

**20.5 million** breakfasts.



In 2012 the CRC responded to 2,321 disasters, and more than

**46,000 people** were directly assisted.



The Evergreen/Walmart Green Grant program has supported

**433 projects**

since 2005.



1 US\$ = 1.00 CAD Dollar  
2012 Average



Canada

Environmental responsibility



Supercube trailer

In 2012, our transportation team wanted to find a way to transport more goods to stores, while using fewer trucks to reduce our environmental impact. The result was the launch of a one-year pilot program involving a supercube trailer. Each trailer was designed to carry 40 percent more goods – 30 percent in the trailer and 10 percent in a new dromedary box – which translates into significantly fewer trips from warehouses to stores. If the pilot succeeds and is implemented across Walmart Canada, we have the potential to reduce delivery trips by 3,000 per year.



Waste reduction and energy efficiency

Our waste diversion rate was 76 percent in 2012, and we're actively working in collaboration with municipalities to find solutions for the remaining 24 percent. We're testing renewable energy sources, including wind, solar, geothermal and hydrogen fuel cells, at our stores and distribution centers. We recently retrofitted the overhead sales floor lighting at our North Brampton store to LED, and the stores we're building today are 30 percent more energy efficient, compared to our 2005 baseline.

Focused on product improvements

While we've made steady progress toward our energy and waste reduction goals, our sights are now set on our third and most difficult goal – working with suppliers to sustainably improve the products we sell, from conception to the end of the product life cycle. One example was initiated by Stephen Johnson, a senior sourcing manager who challenged a supplier to reinvent a line of bedroom furniture with a detailed list of sustainable objectives in mind. The result was a product that contained:

- No particle/MDF board
- 100 percent certified solid wood
- 41 percent smaller carton
- No Styrofoam packaging
- 40 percent recycled packaging content
- Environmentally responsible glues
- Water-based stains

Buyers across the business are working to make the products we sell more sustainable.





Company responsibility

Canada



**Women in Retail**

Our Women in Retail store program has been identified as a best practice by Wal-Mart Stores, Inc., and is being replicated in 27 markets around the globe. Since the inception of Women in Retail in 2010, there has been a 35.8 percent increase in the number of female store managers. It provides our associates with tools and resources to develop their careers, including mentor programs, workshops and networking opportunities.



**Cultural World Fair**

Our annual Cultural World Fair celebrates our diversity by giving associates an opportunity to share their culture and heritage with each other and is recognized as best practice. Music, food and cultural performances from around the world are shared and celebrated.

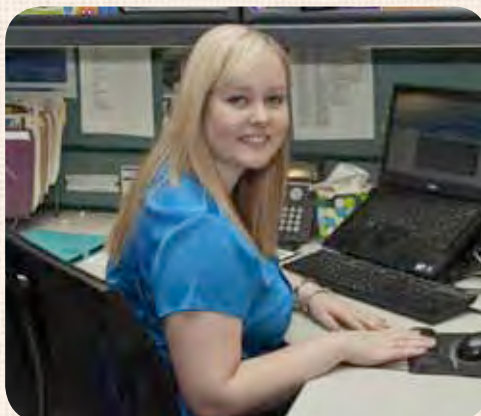


**Development and opportunity**

In 2012, we experienced the largest growth in our history. This growth meant tremendous opportunities for our associates. We promoted 94 people into store manager roles and 241 into assistant manager roles. We welcomed 4,000 new associates, enhanced our development programs and celebrated the graduation of 1,297 associates from our retail training programs.

**Developing Accelerated Retail Experience (DARE)**

DARE was developed to enable top university graduates to fast-track their learning in a real-world business setting. We learn as much from our graduates as they do from us; the value the graduates have brought to our business and the success they are achieving following the program have resulted in our doubling the number of participants from last year and expanding to include a finance-focused program. Approximately 75 percent of DARE students have been placed in permanent positions with us.



2012 promotions

**94**

store managers

**241**

assistant store managers





BIENVENIDO A LOS PRE



## 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**

642

**Market's corporate website**

[www.walmartmexicoycam.com.mx](http://www.walmartmexicoycam.com.mx)

**Market's sustainability website**

[www.walmartmexicoycam.com.mx/responsabilidad\\_social.html](http://www.walmartmexicoycam.com.mx/responsabilidad_social.html)

*Store counts as of Jan. 31, 2013*



Social responsibility

Central America



**50,000+**  
people per month  
benefit from food  
donation programs

**Focus on women**

In 2012, we introduced several projects to improve the social and economic status of more than 500 small and medium-sized enterprises led by women in areas affected by unemployment and poverty. We're providing the productivity-focused training necessary to open the door to sell their products and services to our more than 600 stores across Central America. These efforts tie back to Walmart's Global Women's Economic Empowerment initiative.



**Food bank support**

Through financial support and food donations, we've helped establish food banks in Costa Rica, Guatemala, Honduras and Nicaragua. In 2012, more than 370 of our stores and distribution centers donated more than 700 metric tons of food, benefiting more than 50,000 people per month.

**Women with Future**

Implemented in Costa Rica, El Salvador, Honduras and Nicaragua in alliance with World Vision

**Project Organika y Oxlajú**

Utilized in Guatemala, in cooperation with Asociación Gremial del Empresariado Rural (AGER)

**First Course for Women Leadership**

Based in Honduras, in partnership with Vital Voices

**Strengthening Entrepreneurial Women in La Chureca**

Based in Nicaragua with Manna Project International (MPI)

**Women at Work**

In El Salvador, in alliance with Asociación de Proveedores Agrícolas (APA)



Central America

Environmental responsibility

**35%**  
of fruit, grain  
and vegetables from  
small and  
medium-sized farmers



**Energy and GHG reduction**

We've featured LED lighting in parking lots and on building exteriors at 478 stores since 2010. In 2012, we piloted interior LED in our stores and reduced greenhouse gas emissions associated with refrigeration leakage by 35 percent.

**Small and medium-sized farmer market access**

Our direct farm program for small and medium-sized farmers, Tierra Fértil, serves as the model for Walmart's expanding global direct farm program. It reduces environmental impact through proper training, while raising the income and quality of life for farmers and their communities by increasing pay, eliminating intermediaries, raising efficiency and more. In 2012, we purchased US\$75,087,071 in products from 3,408 small and medium-sized farmers and their families, accounting for 35 percent of fruit, grain and vegetables sold at our stores across Central America.



**Reverse Logistics Recycling program\***

In 2012	materials recycled
17,307 tons	cardboard
2,080 tons	plastic
414 tons	organics
324 tons	other recyclable materials

Those numbers equate to saving 294,219 trees and 22,880 barrels of oil. Our working units are equipped to recycle aluminum, glass, plastic, PET bottles, wood, electronic equipment and organics (in our production plants).

\*Utilized by our stores, distribution centers and processing plants



### Diversity

We're committed to maintaining a diverse work environment in which all associates are respected and appreciated. (Our Equity and Inclusion Consultative Council facilitates female labor development and addresses equity- and inclusion-related issues.)

<b>41 percent</b>	<b>women associates</b>
<b>34 percent</b>	<b>women management positions</b>
<b>188 associates</b>	<b>special abilities</b>



### Benefits

We offer customizable and competitive life and medical insurance plans to all associates. In 2012, basic hospital insurance was expanded to include accidents, emergency surgery, serious injury, burns and other unexpected events. Preventive checkups are also available through our insurance programs.

To ensure a desirable work/life balance for associates, special paid days are provided for paternity, health, Mother's and Father's Days, marriage and family funerals.

### Opportunity

The development and growth of our associates is a high priority. During 2012, 3,669 associates were promoted to higher responsibility levels. In addition, 75 female associates participated in developmental programs, and we launched an internship program for high-potential university students. Eleven participants have already gone on to begin professional careers with Walmart.

In 2012

**3,669**

**associates promoted**



**75**

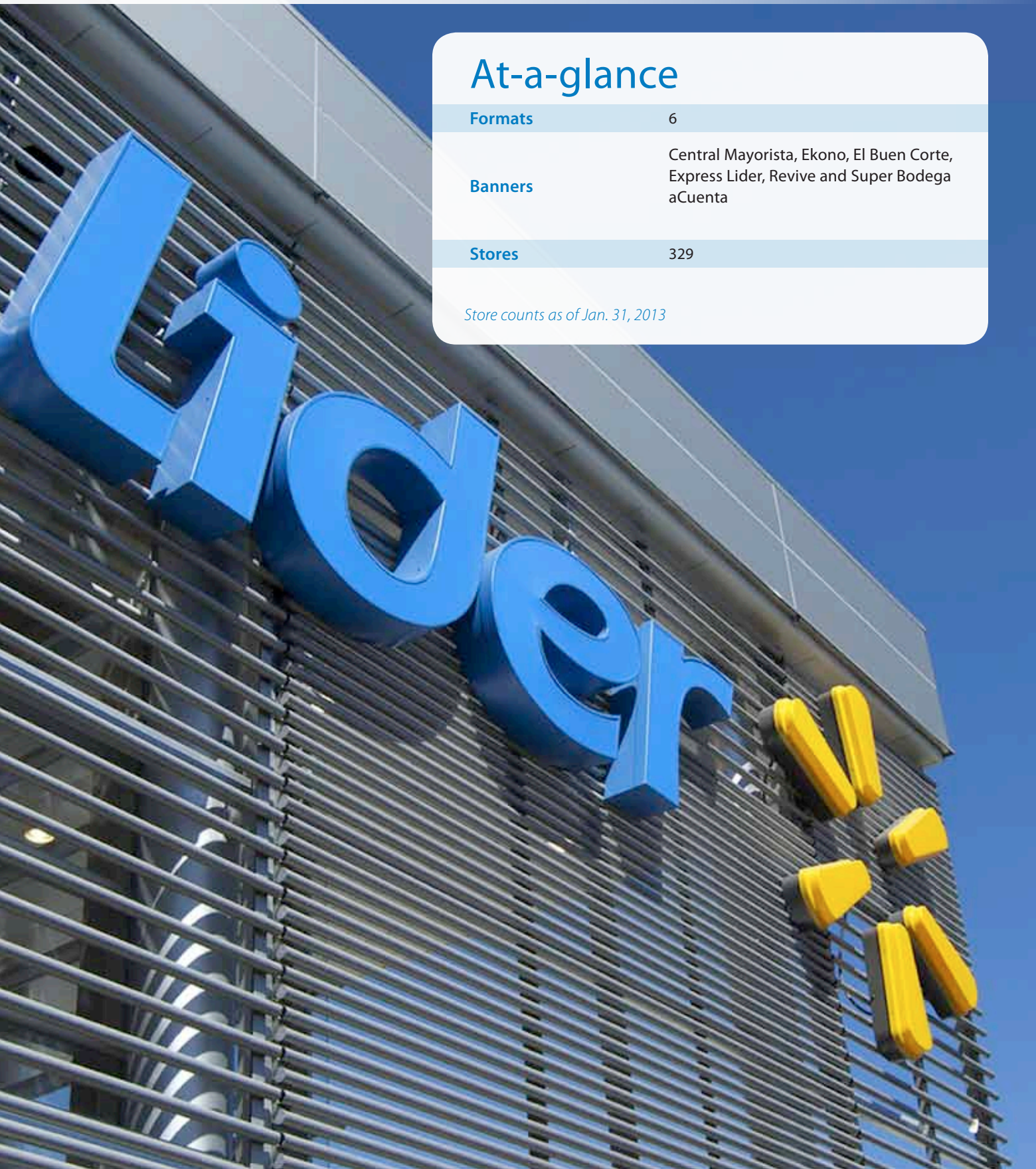
**female associates in developmental programs**



## At-a-glance

<b>Formats</b>	6
<b>Banners</b>	Central Mayorista, Ekono, El Buen Corte, Express Lider, Revive and Super Bodega aCuenta
<b>Stores</b>	329

*Store counts as of Jan. 31, 2013*





## Social responsibility

## Chile

## Hunger relief

Walmart Chile is a strategic partner and founder of Corporación Red de Alimentos, an organization that distributes food to more than 34,000 people, including low-income families, children, pensioners and the homeless, through 104 NGOs. In 2012, we contributed CLP100 million toward the operation of the food bank and donated 181,490 kilograms of food, equivalent to more than CLP316 million.

**181,490 kg**  
food donated  
in 2012

## Focus on poverty

We support and encourage associate volunteerism to pensioners, teenagers and children who live in more than 800 Hogar de Cristo and Refugio de Cristo homes across the country. In 2012, we contributed CLP30,945,617 for 131 voluntary visits by our associates. Also, the company contributed CLP111,098,530 to support community initiatives.

For the past 16 years, we have also invited customers to make charitable contributions to Hogar de Cristo and Refugio de Cristo at our Lider and Express de Lider supermarket checkouts. In 2012, CLP745,988,173 was raised, benefiting more than 79,000 people.

**79,000+**  
people benefited  
from in-store  
contributions of  
CLP745,988,173



## Women's economic empowerment

In an effort to diversify our supplier base, we invited companies led by women to offer their products and services through our various formats. More than 80 women-led businesses attended and spoke with executives about becoming a vendor. As a result of the event, we received 11 new product applications and nine new service applications. Efforts like these align directly with Walmart's Global Women's Economic Empowerment Initiative.

1 US\$ = 486.25 CLP Peso  
2012 average



## Chile

## Environmental responsibility

### Energy

Walmart Chile invited Non-Conventional Renewable Energy (NCRE) power generating companies to participate in a bid process to potentially secure 70 Gwh per year. Potential applicants for the tender include proponents whose clean energy generation comes from sources approved by NCRE, such as solar thermal, solar photovoltaic, wind, geothermal, tidal and biomass.



### Waste

Our Lider and Express de Lider formats have been using plastic bags made from 75 percent recycled material since 2011. While the long-range goal is to replace all bags with these, there is a shortage of materials available in Chile to produce the necessary supply. So we developed a countrywide system for receiving plastics bags from our customers for use as raw materials in our recycled bags. We implemented the system in November 2012 and expect to increase the percentage of recycled plastic bags in use.

### Products

In April 2012, The Sustainability Consortium (TSC) announced the launch of its Chilean Hub. Walmart Chile is playing a leading role in incentivizing suppliers to develop more sustainable products. There are already 10 companies, suppliers of Walmart Chile, working under TSC methodologies to develop efficiencies and more sustainable products to be sold in Chile.



## Encouraging education

In order to promote academic excellence, we have 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 2012, CLP387,660,000 in scholarships was awarded, helping 1,175 associates and family members of associates, including 21 children with special needs.



In 2012  
women in management  
**+38%**



## Scholarship program

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 2012, 543 associates received funding through this scholarship program.

## 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.



## Diversity and inclusion

Walmart Chile is committed to creating diverse work teams and fostering an inclusive environment. We recently conducted a survey to identify and examine internal and external challenges to attracting and facilitating the success of women within our company. We've already made significant progress, as 50 percent of the people reporting to the CEO by the end of 2012 were women. We also increased the percentage of women in management positions across Walmart Chile by 38 percent from 2011 to 2012.

1 US\$ = 486.25 CLP Peso  
2012 average





## At-a-glance

<b>Formats</b>	4
<b>Banners</b>	Sam's Club, Smart Choice, Trust-Mart, Walmart and Walmart Neighborhood Market
<b>Stores</b>	393

*Store counts as of Jan. 31, 2013*





## Women's Development Fund

In 2010, we partnered with the China Women's Development Foundation (CWDF) to launch the Walmart Women's Development Fund with an initial donation of RMB 1 million (approximately USD\$150,000). This fund provides Chinese women in need with the financial support they need to start their

own business ventures or become employed. To date, we've helped 1,316 families make their business dreams come true through donations of RMB 1,500 to RMB 5,000. In 2012, Walmart China donated a total of RMB 2 million to continue its support for this cause.



## Retail Talent Development Fund

In October 2012, we launched our Retail Talent Development Fund in cooperation with the China Youth Development Foundation (CYDF). This RMB 3 million fund will be used to support retail education at Bainian Vocational Schools

across the country. Retail training courses are developed by Walmart and the International Youth Foundation (IYF) to specifically address the unique characteristics and challenges in our market.



**1,316**  
families  
benefiting  
from Women's  
Development Fund

## China Mobile Lab

In order to explore new ways to ensure food safety, we launched the China Mobile Lab program in 2012, which will outfit customized vans with advanced food safety inspection technology and specialists. The program is available in Guangzhou City's Walmart stores and provides daily testing to help ensure food items are safe.





China

Environmental responsibility

Walmart Earth Month 2012

Over the past three years, we've held Walmart Earth Month in April. During the month-long "Planting Trees to Refresh Communities" campaign, more than 300 of our stores planted 10,000 trees with support from hundreds of thousands of local associates, community volunteers, supplier partners and local environmental protection organizations. In addition, our stores powered down lighting by more than 33 percent during nonpeak hours, saving more than 500,000 kwh of electricity.

300 stores planted 10,000 trees



stores have reduced GHG emissions

11.3% since 2005

Progress and long-term commitment

On Oct. 25, 2012, the Walmart Foundation announced a US\$2 million grant to help expand The Sustainability Consortium (TSC) to China. With this grant, TSC China will engage industries, universities and other experts to improve sustainability in consumer goods and provide resources to help suppliers become more sustainable. At the store level, our efforts resulted in a number of success stories, including:

- Half of electric products sold at our stores are RoHS compliant
- Reduced plastic shopping bag consumption by 86 percent
- Increased solid waste recycling at our stores by 52 percent
- Completed Xiangmi Lake Rooftop Solar Project in Shenzhen

- Cut water consumption by 50 percent at our new store prototypes
- Reduced greenhouse gas (GHG) emissions at our stores by 11.3 percent, compared with our 2005 baseline

Continuing support for Liangping

On June 13, 2012, more than 30 associates from Walmart Chongqing revisited the Liangping Xinjindai Ecological Primary School. Associates donated books, teaching equipment and stationery. In 2009, Walmart donated RMB 6.5 million to rebuild Liangping following the 2008 Wenchuan earthquake. Completed in 2011, the school uses sustainable building methods and clean energy to provide modern classrooms for children in need.





## My Sustainability Plan

On Aug. 8, 2012, as part of the My Sustainability Plan (MSP) program, Walmart China associates welcomed more than 180 of their children to our headquarters in Shenzhen to join the Kid's Open Day. During the event, parents and children participated in activities together under the theme of environmental protection and family sense. This is just one way we are helping associates live better, more balanced lives.



## Sunny Warm Community

In December 2011, we launched a charity event in collaboration with Sina.com themed "@Sunny Warm Community."\* To support this event, associates in more than 140 cities nationwide sent more than 3,000 "warm" New Year gift packages to individuals and families in need. We've grown @Sunny Warm Community into a micro-charity platform, where consumers and associates come together to support corporate social responsibility efforts.

\*micro-blog address:

<http://e.weibo.com/wmcsr>



## Women in Leadership program

Walmart China began implementing the Women in Leadership program in 2007. The program has been very successful in China, featuring a variety of diverse and inclusive initiatives, including yearly Women in Leadership Forum, Women Mentoring Circle, Women in Leadership Workshop, Quarterly Women in Leadership Council Meetings and more. As a result, the number of women in director-level positions and above at Walmart China has increased from 40 percent to 43 percent in 2012.





**Best Price**<sup>TM</sup>  
MODERN WHOLESALE  
A Bharti | Walmart  Venture

## At-a-glance

<b>Formats</b>	1
<b>Banners</b>	BestPrice Modern Wholesale
<b>Stores</b>	20
<b>Market's corporate website</b>	<a href="http://www.bharti-walmart.in">www.bharti-walmart.in</a>

*Store counts as of Jan. 31, 2013*



**Bharti Walmart has fully embraced the company's Global Women's Economic Empowerment Initiative. We continue to identify opportunities and open the door to sustainable employment for women across the country. The following is a sampling of the success stories already in place.**

### Small and medium-sized farmers

Our Direct Farm Program connects with more than 9,400 small and medium-sized farmers across nine states in India (as of 12/31/12). We have set up farmer training and collection centers across Andhra Pradesh, Delhi/NCR, Haryana, Himachal Pradesh, Karnataka, Maharashtra, Punjab, Rajasthan and Uttar Pradesh to provide training to our farmer regarding good agricultural practices aimed at increasing yield and improving quality of locally grown vegetables. Our Direct Farm program works closely with agricultural universities, agri input companies and NGO partners to enhance income and livelihood of farming communities in India. We've also provided training to more than 3,800 women farm workers with the help of our NGO partners.



**9,400**  
farmers trained



### Bharti Walmart Training Centres

Our 18 Bharti Walmart Training Centres across the country provide free retail training to under-privileged youth, free of cost. By the end of 2012, more than 18,000 students had been certified and more than 6,500 had been placed in jobs with various organizations. Women account for 33 percent of the students certified by our centers and are an integral part of our training program as we prepare them for their first jobs or, for some, careers in retail.

**6,500+**  
employed

### Cashew value chain

Our cashew value chain initiative, conducted in collaboration with CARE, aims to provide sustainable economic opportunity for 1,250 women in two coastal districts of Tamil Nadu. Three processing centers and eight satellite centers are located in the villages to reduce commute time and facilitate strong participation. This initiative has provided opportunities for vulnerable women to improve literacy and math skills, while increasing their income.



## India

## Environmental responsibility

Reduced  
throwaway rate by  
**16.5%**  
in 2012

### Food throwaway reduction

In 2012, our Best Price stores lowered their food throwaway rate to 2.33 percent, a reduction of 16.5 percent over the prior year.

The following were key drivers in this initiative:

- More locally grown produce
- Direct import of apples, pears and kiwi
- Proper indenting to reduce dump
- Focus on frozen meat to reduce processing dump of fresh
- Higher-grade items for longer shelf life and quality



### Plastic bag reduction

In an effort to phase out plastic shopping bags, our Best Price stores introduced reusable, nonwoven bags and reusable High Density Poly Ethylene (HDPE) bags in 2012. These two options alone have reduced use of traditional plastic shopping bags in our stores by more than 90 percent.

### Solar water heaters

Solar water heating systems are present in all five Best Price Modern Wholesale stores that opened in 2012. Solar energy is used for heating water to a temperature of 50 to 60 degrees. The solar heaters installed have the capacity to heat 500 litres of water and reduce pollution. They've been incorporated into the prototypes for our Greenfield stores. As a result, we've reduced annual electricity consumption by 7,020 kWh per store, while realizing a savings of INR 58,971 per store.

### Recharge pits

In an effort to replenish groundwater, we're utilizing recharge pits at our Best Price Modern Wholesale Stores. Rainwater from our rooftops and internal roadways is captured and routed into recharge pits. The water is filtered by passing through numerous layers of fine gravel, sand and pebbles, before flowing deeper into the ground to recharge the water table.



## Company responsibility

## India

## Associate engagement

In an effort to increase transparency and encourage cross-functional participation in key decisions, various committees have been formed to advise the organization on initiatives as a focus group. A few key committees include:

**Women in Leadership Council:** Addresses and advises senior leadership regarding women-related issues, including key initiatives that aim to develop and retain female associates

**Rewards and Recognition Committee:** Reviews the rewards and recognition framework of the organization and suggests ways to ensure we reward fairly and recognize associates on a regular basis

**Culture Committee:** Ensures constant flow of new and innovative ideas to drive culture



## Store associate development

In order to provide all associates equal opportunity, we've launched various programs, including Education at Work, Women in Leadership and Associate Development Maps.

- Nearly 4,000 associates have completed our trainings
- Associate Development Maps clearly chart career paths for associates.
- We offer regular refreshers and role-based training.
- In 2012, more than 400 store associates enrolled in English or computer education classes.
- Training Roadmaps have been developed for every associate in an attempt to identify development needs.

## Talent management for women

We realize and understand the advantages of employing and promoting women, especially since the majority of our customers are women. We're currently developing nearly 100 female associates for management roles and are committed to growing a diverse talent pool across India.

**400+**  
associates  
enrolled in  
computer or  
English classes

nearly **100**  
female associates  
being developed  
for management  
positions



## At-a-glance

<b>Formats</b>	4
<b>Banners</b>	Livin, Seiyu, Sunny and Wakana
<b>Stores</b>	438
<b>Market's corporate website</b>	<a href="http://www.seiyu.co.jp">www.seiyu.co.jp</a>
<b>Market's sustainability website</b>	<a href="http://www.seiyu.co/company/sustainability">www.seiyu.co/company/sustainability</a>

*Store counts as of Jan. 31, 2013*





## Social responsibility

## Japan

## Food donation

Since 2009, we have partnered with Second Harvest Japan, the oldest food bank NGO in the country, to donate food from our stores to local welfare facilities. In 2012, by utilizing backhaul, we expanded our activities to 38 of our stores in the Kanto area, and plans are in place to expand participation to 150 stores across the area by 2016.

**58,832**  
food items donated  
to Kanto-area  
welfare facilities  
in 2012



## Tohoku Kosodate project

Since 2012, Walmart Japan has contributed grants and store fundraising to Jespere, a nonprofit organization that supports postpartum mothers. Our contributions are specifically earmarked to support postpartum mothers and their babies in the coastal areas of Tohoku, where people are still recovering from a significant earthquake in 2011.

**2,543 mothers**  
have participated  
in 186 consultative  
sessions by professional  
midwives

**94 mothers**  
received home visits  
for medical or mental  
purposes



**50**  
single-parent  
households  
served in 2012  
and 2013

## Supporting single parents

In 2011, we provided a grant to Florence, a nonprofit organization that supports parents who are pursuing professional careers while raising children. That grant contributed to a two-year program that provides single parents in poverty with childcare service when their children become ill. In July 2012, we also started a store fundraising campaign, and our customers have been supporting further expansion of this childcare service program.



Japan

Environmental responsibility

Reduced the GHG emissions of our stores and distribution centers that existed in 2005 by more than

**20%**  
as of 2012



Direct sourcing of produce

Walmart Japan has had a hand in the direct sourcing of produce for four decades and built long-term relationships with farmers. In 2012, we increased the number of farmers we source directly from to 13,690, up by 128 from 2011. Our direct-sourced produce accounts for about 35 percent of total produce sales across Walmart Japan, and we continue to forge new partnerships every year.

GHG reduction

Walmart Japan continues to reduce potentially harmful greenhouse gases (GHG) associated with our environmental footprint. To date, we've introduced LED lighting in 359 stores, distribution centers and packaging centers. That, along with our investments in refrigeration and air conditioning system efficiency, and the introduction of EMS to all stores in 2011, has contributed to our improved facilities.



Plastic bag reduction

Through our Hummingbird Campaign, which ran from 2007 to July 2012, we encouraged customers to bring reusable shopping bags. As a result, more than 50 percent of our customers made the transition. Building on this accomplishment, Walmart Japan started charging for plastic bags in July 2012 to further accelerate plastic bag reduction. Now, more than 70 percent of our customers utilize reusable shopping bags.

Reduced plastic bag usage weight by nearly **40 percent** in 2012 compared with our 2007 baseline



## Company responsibility

## 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 launched our Female Leadership Program to encourage our female associates to pursue career development opportunities in the company. Since 2010, 242 associates have participated in the Female Leadership Program, and a number of participants have gone on to take leadership roles.

## Part-time to management

Across Japan, it's generally difficult for part-time workers to grow their professional careers. Walmart Japan, however, offers unique opportunities of career development for all associates who are innovative, enthusiastic and committed to better serving our customers. In fact, since 2006, 249 male and female associates who began part-time have been promoted into management positions. In 2012, 66 associates, 38 of them women, were promoted to assistant manager.

In 2012,  
**38**  
women  
promoted to  
assistant manager



## Encouraging associates' ideas

Our people make the difference, so we continually encourage our associates to share their ideas and solutions for everyday issues. For example, we held the My Bag Design Contest in July 2012, when we began charging for plastic bags. Associates submitted more than 100 entries, and Ryoko Sato's design was printed on a few varieties of reusable bags sold at our stores across the country beginning in February 2013. She works at the Sendainagamachi store as a checker.



Ryoko Sato  
Checker, Sendainagamachi



## At-a-glance

<b>Formats</b>	8
<b>Banners</b>	Bodega Aurrera, Bodega Aurrera Express, El Porton, Farmacia Walmart, Mi Bodega Aurrera, Ragazzi, Sam's Club, Suburbia, Superama, VIPs and Walmart Supercenter
<b>Stores</b>	2,353
<b>Market's corporate website</b>	<a href="http://www.walmartmexicoycam.com.mx">www.walmartmexicoycam.com.mx</a>
<b>Market's sustainability website</b>	<a href="http://www.walmartmexicoycam.com.mx/responsabilidad_social.html">www.walmartmexicoycam.com.mx/responsabilidad_social.html</a>

*Store counts as of Jan. 31, 2013*





## Support for communities

Supporting the communities we serve is just as important to us as the relationship we have with our customers, associates and suppliers. The alliances we have with hundreds of civil society organizations across Mexico continue to impact lives every day. The Walmart Mexico Foundation was recognized among The Best Foundations in Mexico by *Poder y Negocios* magazine. In 2012, the Walmart Mexico Foundation contributed:

**MXN581.6**  
million  
total giving

**130,996**  
associates  
participated  
in volunteer  
activities

## Fighting hunger

In 2012, we donated more than 22,000 tons of food to hunger-related organizations across the country, and our Your Help Nourishes campaign earned the Effie Social Award. We supported 19,107 family food security programs and, by specifically targeting the most vulnerable communities, helped more than 4,000 children who were battling malnutrition.



## Micro, small and medium-sized farmers

In 2012, we purchased 80 percent of production from micro, small and medium-sized farms, equivalent to 1.8 billion pesos. We continue to work directly with these suppliers, focusing on sustainable farming practices, post-harvest management techniques, logistics and understanding of quality standards that will help open the door to opportunities in new markets for them. We promote agricultural, aquacultural and fishery products with the purpose of reducing the risk of physical, chemical and microbiological contamination through sanitary conditions in primary production.





Mexico

Environmental responsibility

Greenhouse gas reduction

In 2012, we reduced greenhouse gas (GHG) emissions associated with our operations by 22.4 percent compared with our 2005 baseline. We developed more efficient store prototypes with new and better technologies, including air-conditioning and refrigeration units that are 27.8 percent more energy efficient. In Mexico, 351 of our stores use renewable energy produced by wind (347 units) and solar (four units). This allows us to reduce CO<sub>2</sub> emissions by 137,476 tons a year.



Waste reduction

We diverted 70 percent of our operational waste – more than 207 million kilos of cardboard, plastic, vegetable oil, white grease and plastic hangers – from landfills in 2012. We recovered more than 500 tons of vegetable oil to transform into biodiesel, use in our Great Value Terra bar laundry soap in Mexico and for our concentrated animal feed in Central America. We’ve also reduced water use in our stores by more than 443 million liters, versus our 2012 goal of 217 million liters.

Responsible products

Our portfolio of environmentally responsible products covers biodegradables, as well as water- and energy-efficient items. In 2012, the product catalogue with the lowest environmental impact grew 35 percent as compared with 2011, bringing our total to 1,254 products. Seven of those are Member’s Mark EcoResponsible and 77 are Great Value Terra. Others include energy-saving bulbs with improved packaging, and laundry bar soap containing 20 percent postconsumption vegetable oil recovered from our stores.

	Commitment	Performance
CO <sub>2</sub> /GEI	-20%	-23%
Energy	-3.4%	-3.8%
Water	6.0% (217 million liters)	12.3% (443 million liters)
Plastic bags	-50% (based on 2007)	-68% (based on 2007)
Products	925	1,254



## Company responsibility

## Mexico

## Talent development

We continually strive to provide opportunities for growth, development and advancement for our more than 217,000 Walmart Mexico associates. We have a sound management process that ensures a continuous flow of talent in numbers and capabilities to support our growth plans and put the strategies of the business into practice. We invest in our people by devoting time and resources to specialized training opportunities, programs and more. In 2012:

- 51 percent of our associates were women.
- 22,936 associates were promoted.
- 61,428 associates were hired.
- Our associates received 4.5 million hours of training.

## Gender equality

Gender equality across the organization is a priority, as it provides us a better understanding of the needs of our female customers and associates. In 2012, women held more than 30 percent of our management positions. We've formed an integrated Gender Equality and Inclusion Council, and our leadership has outlined four specific objectives related to this topic:

- Attracting and retaining female talent through recruitment processes, ensuring the participation of more women, supported by sounder policies aimed at work/life balance and by development programs that encompass flexibility in meeting the need for improving work/life balance.
- Supporting the development of female talent through the design and use of activities aimed at personal growth and accelerated development programs such as the Special Certificate for Female Managers/Executives, mentoring for women and courses like Taking the Stage.
- Having communication and awareness campaigns that favor the creation of a culture and atmosphere of equality.
- Providing support to external women through assistance programs for low-income women, aimed at creating new businesses or improving existing ones, and developing women as Walmart suppliers.



**51%**  
women  
associates







# United Kingdom

## At-a-glance

<b>Formats</b>	4
<b>Banners</b>	ASDA, ASDA Living, ASDA Supercentre and ASDA Supermarket
<b>Stores</b>	565
<b>Market's corporate website</b>	<a href="http://your.asda.com">your.asda.com</a>
<b>Market's sustainability website</b>	<a href="http://your.asda.com/sustainability">your.asda.com/sustainability</a>

*Store counts as of Jan. 31, 2013*



## Social responsibility

## United Kingdom

## George LEAN project

Since 2009, we've been building momentum for LEAN, a program that guides how George does business with suppliers by:

- Retraining workers and increasing wages
- Improving and re-engineering production flow
- Reducing product damage and downtime
- Changing the way we partner with and plan commitment and production with factories

In 2012, this scalable model was expanded in Bangladesh, accounting for 62 percent of the garments we buy from suppliers there. Through efficiency gains and increased business, one George supplier has even invested in a new factory, where LEAN will be implemented from day one.

## Charitable support

Tickled Pink celebrated its 16th year in 2012. This unique ASDA charity partnership supports two outstanding charities, Breast Cancer Care and Breast Cancer Campaign. In 16 years, Tickled Pink has raised more than £30 million for these charities, helping make a difference for people affected by breast cancer now and in the future.

## Kenyan smallholders and growers

We've aligned with the Department for International Development (DFID) and Project Nurture, a four-year pilot funded by the Bill and Melinda Gates Foundation and Coca-Cola Company, to demonstrate the ability of smallholders and growers in Kenya and Uganda to double their income by becoming long-term sustainable suppliers of mango and passionfruit. At International Procurement & Logistics Limited (a subsidiary of ASDA) we're working specifically with Kenyan farmers to introduce a new variety of sweet yellow passionfruit. To date, we've:

- Engaged with 400 smallholders and growers
- Identified suitable regions for growing
- Selected pilot farmers and organized marketing groups
- Secured a partner to aggregate, pack and export
- Generated positive consumer feedback regarding taste and pricing

We're targeting June 2013 for the commercial launch and continue to work with our export partner and farmer groups to ensure that the necessary certification, supply and collection infrastructure is in place.



## Community Life

Piloted in 2011, our flagship community program, Community Life, rolled out to 560 stores and 23 depots last year. To date, 9,000 "Chosen By You, Given By Us" financial grants have been voted for by our customers and donated by ASDA.

## In 2012

**£8.8 million**  
raised for local causes

stores utilized  
**23,000+ times**  
as community centers

Community Life  
Champions volunteered  
**115,000+ hours**  
locally for medical  
or mental purposes

1 US\$ = 0.63 GBP Pound Sterling  
2012 Average



## United Kingdom

## Environmental responsibility



## Carbon footprint reduction

Over the past four years, we've reduced our carbon footprint by 17.7 percent, the equivalent of 230,989 metric tons of CO<sub>2</sub> or 150,000 flights from London to New York. Top achievements include:

- Diverted more than 96 percent of operational waste from landfills
- Cut energy consumption by one-third
- Reduced greenhouse gas (GHG) emissions by 7.5 percent via company-wide refrigeration maintenance program over the past year
- Lowered transport emissions by an industry-leading 47 percent since 2005

## Customers:

## Everyday Experts

Since 2011, we've communicated directly with our customers about sustainability and what ASDA can do to support their aspirations to live healthier, environmentally sustainable lives. Everyday Experts engages more than 8,000 customers and uses that insight to inform our business decisions in such areas as packaging and food waste, as well as to shape the Greener Life pillar of our signature Community Life program.

## Working with suppliers

## ASDA Exchange

In January 2012, we introduced the 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 – to more than 350 members from more than 250 companies. The tool has become a key part of doing business with us, helping our suppliers improve resource efficiency through access to best practice guidance, industry experts and sharing of knowledge.

## Farming

Since 2011, we've worked with British Seed Houses to encourage our beef, lamb and dairy farmers to utilize Aber high-sugar grasses (HSG) and clovers, which have the potential to significantly improve production efficiencies and performance, while reducing carbon footprint. In 2012, they purchased more than 1,000 packs of high-sugar grass seeds.



## Adaptation

In 2012, we piloted a study on the fresh produce category to determine whether this approach yields helpful management information using global warming predictions of 2 degrees. ASDA's customer proposition "Saving You Money Every Day" is central to our corporate strategy and brand commitment. Underlying supply chain performance drivers of price, quality and availability are increasingly being affected by climate change, both now and in the future. The findings are targeted at improving our overall sourcing strategy by offering new insights that lead to a competitive advantage.



## Company responsibility

## United Kingdom

## Colleague Steps launch

The colleague training strategy has been redefined and launched during 2012. It comprises three parts:

**Step In:** Four-week training for all new hourly paid colleagues.

**Step On:** Mini-modules and coaching activities covering all aspects of the leadership framework. This is predominantly for colleagues who want to take the next promotion step to become Section Leaders.

**Step Up:** Technical and behavioral training for promoted managers and Section Leaders. The training is accredited by City & Guilds and, since August 2012, 8,824 colleagues have earned a certificate. Nearly 160 colleagues have successfully completed all 10 modules of the program.

## Colleague Hardship Fund

ASDA Foundation's Colleague Hardship Fund supports colleagues (including current, retired or those who have left for health-related reasons) and their immediate family members who find themselves at serious risk of financial hardship.

Colleague Hardship Fund  
contributed  
**£188,000**  
in support of 296 colleagues  
since 2010

## Mum2Mum

In 2012, more than 70 ASDA House colleagues benefitted from Mum2Mum, our peer maternity mentoring program, available before, during and after their maternity leave. We plan to pilot the Mum2Mum program in Scotland and at our supermarkets during the first half of 2013, followed by expansion to all our stores and depots by the end of the year.

## LGBT

In October 2012, we established our lesbian, gay, bisexual and transgender (LGBT) network, in addition to introducing a website, [www.asdalgbt.co.uk](http://www.asdalgbt.co.uk), and a monthly newsletter with relevant and related information.

## Disability

In December 2012, we celebrated recruiting our 2,000th disabled colleague through Remploy on International Day for Disabled People.

## Women of the Future Awards

We're very proud of the fact that two of our colleagues were recognized with prestigious Women of the Future Awards in 2012. Lindsey Goldsbrough, GSM Boldon Superstore, won Business Woman of the Future, and Fiona Lambert, brand director for George, was named Mentor of the Year.

**2,827**

colleagues had completed retail apprenticeships by the end of 2012

## Apprenticeships

As part of our ongoing commitment to offering training and development opportunities to our colleagues, we support the Retail Apprenticeship, a nationally recognized qualification through City & Guilds since June 2011. By the end of 2012, 2,827 colleagues had fully completed retail apprenticeships, and another 114 are participating in 2013.



A photograph of a Walmart store exterior. The building is a large, single-story structure with a mix of brown and tan panels. The Walmart logo is prominently displayed on the upper left side of the building. In front of the building is a paved parking lot with white and red markings. An American flag flies on a tall pole to the right of the building. The sky is blue with scattered white clouds.

Walmart

## At-a-glance

<b>Formats</b>	4
<b>Banners</b>	Amigo, Neighborhood Market by Walmart, Super Ahorros, Supermercado de Walmart, Walmart and Walmart Express
<b>Stores</b>	4,005
<b>Market's corporate website</b>	<a href="http://www.corporate.walmart.com">www.corporate.walmart.com</a>
<b>Market's sustainability website</b>	<a href="http://www.corporate.walmart.com/global-responsibility-report">www.corporate.walmart.com/global-responsibility-report</a>

*Store counts as of Jan. 31, 2013*



## Social responsibility

## U.S. – Walmart

## Operate globally. Give back locally.

Whether it's a small grant to a local school or a large grant to a hunger-relief organization working across several states, Walmart and the Walmart Foundation invest in programs that align with our key areas of giving: Hunger Relief & Healthy Eating, Sustainability, Women's Economic Empowerment and Career Opportunity.

In addition to grant making at the local, state, national and international levels, we engage in business-led initiatives that utilize Walmart's unique assets, including food donations,

customer engagement campaigns and associate-driven programs that broaden and deepen the impact we can make.

Giving back to the communities where we live and work is central to Walmart's live better mission. Our store, club and logistics associates are passionate about a variety of causes that make our local communities across the U.S. better every day.

The following are a few examples:

### Children's Miracle Network Hospitals

Walmart is committed to supporting causes that make an impact locally, such as Children's Miracle Network Hospitals. As part of our Six Miracle Weeks campaign from May 1 to June 15, 2012, our customers and associates raised more than \$41 million for local Children's Miracle Network Hospitals across the country.



For a video about our support of Children's Miracle Network Hospitals, go to the online version of this report at <http://corporate.walmart.com/microsites/global-responsibility-report-2013>.

### Volunteerism Always Pays

Service is a core part of our culture. Whether an associate works at a Walmart store, Sam's Club or logistics facility, we're passionate about volunteering for local causes. Through the Volunteerism Always Pays program, Walmart provides grants to qualifying organizations when associates improve their communities by volunteering on their own or in a group. In FY2013, the Walmart Foundation awarded more than \$18 million in grants to local nonprofits.

Walmart is proud of the servant-leadership practiced by thousands of associates who invest their time and talent in making their communities better.

### Safe miles programs

Walmart's retail success depends on its ability to move goods from our distribution centers and transportation offices to our stores across the U.S. Our staff of skilled drivers makes up the backbone of our logistics team, which operates one of the largest and safest fleets in the world. Each driver averages around 100,000 miles annually – that's like driving around the world four times! During the Safe Mile Campaigns, we celebrate every mile logged responsibly during that time period by donating \$.01-\$.02 to charitable programs including Children's Miracle Network Hospitals' Safe Driving for Kids, Victory Junction Gang's Miles for Smiles and countless local education programs. With the ground our fleet covers, those miles quickly translate into more than \$750,000 annually.



### Fighting Hunger Together

In 2010, Walmart and the Walmart Foundation launched Fighting Hunger Together, a \$2 billion cash and in-kind commitment through 2015 to help end hunger in America. Donations of cash, food, refrigerated trucks, mobile pantries and other resources are changing lives in communities across the nation every day.



## U.S. – Walmart

## Environmental responsibility



### Advancing renewable energy, efficiency

We continue to find ways to reduce our consumption of nonrenewable energy. Behind the scenes at more than 4,000 Walmart U.S. stores, a number of projects help conserve our natural energy resources while maintaining the comfortable and inviting shopping atmosphere our customers expect. We've implemented a variety of efficiency measures and renewable energy systems at our new and existing stores, including high-efficiency lighting retrofits, natural skylights with dimming systems, high-efficiency motors in our walk-in coolers and roof-mounted solar panel arrays. We continually model new store design prototypes and test new technology to optimize our building performance.



In 2012, we:

- Piloted glass doors on medium-temperature cases at 33 stores in Puerto Rico.
- Installed our 200th solar system, each providing 15 to 30 percent of a store's electricity needs.
- Grew our number of fuel-cell sites to 31, each providing 40 to 60 percent of a store's electricity needs.
- Installed our first 1 MW utility-scale wind turbine, capable of providing approximately 15 to 20 percent of our total electricity requirements at our Red Bluff Distribution Center in California.

These advances, coupled with our continued progress on energy efficiency, have resulted in a 20 percent reduction in greenhouse gas (GHG) emissions annually at our 3,136 stores and distribution centers that existed in 2005.

### Associates conserving energy

We recognize our store associates play a very important role in conserving energy. During the summer of 2012, we began trial testing informational commercials, reminder stickers and store energy reports to encourage

associates to implement good energy savings behaviors in their stores and clubs. The pilot included a commercial series broadcast on Walmart TV (an internal channel broadcast in break rooms and at the corporate office) that reminded store associates even the smallest actions, such as closing refrigerator doors and stocking refrigerated cases correctly, can add up to major energy and cost savings. We plan to grow our associate engagement programs around energy and other important resources in 2013 and beyond.

### Compactor monitor program

For 561 store locations that were experiencing difficulty meeting waste-tons-per-haul target weights, we installed compactor monitoring devices to trigger when certain target weights were achieved. During 2012, this program increased our tons per haul from 6.10 to our targeted 8.17. Since these compactors contained more waste when emptied, total hauls decreased from a projected 16,400 to just 10,500, saving the company \$3.1 million. With the implementation of our Landfill Waste Reduction Programs, we were able to remove the second compactor from 1,589 supercenters, resulting in \$1 million in annual savings.

### Waste reporting

Historically, waste service providers, such as haulers and landfills, have required 60 to 90 days to provide data. To effectively drive store execution, our stores, clubs and distribution centers in the U.S. needed data 15 to 20 days past the service period. Working with each service provider, we initiated a number of specific challenges targeting the waste industry and its reporting practices. To date, these steps have successfully reduced reporting times by nearly 35 percent, with dramatic improvement expected in fiscal 2014. Once this level of reporting is available industry-wide, it should prove beneficial to the entire retail sector and become a standard specification in negotiating future solid waste service needs.





## Company responsibility

## U.S. – Walmart

## Diversity and inclusion

As Walmart U.S. strives to help more than 100 million customers and 1.3 million associates across the country each day, we understand the value and importance of driving diversity and inclusion in our business and workplace. We're proud of our commitment to associate development and community outreach, as 100 percent of more than 51,000 field managers actively sponsor associates in their business areas and participate in diversity events in their stores and communities.

Walmart remains committed to increasing the representation of women and people of color throughout our organization. In FY2013, Walmart U.S. increased the representation of women and people of color across all store management roles (store manager, shift manager, assistant manager). Furthermore, we leveraged all of our development programs to create a diverse pipeline and accelerate readiness of our associate talent. In fact, women and minorities represented more than half of the high-potential participants in our FY2013 Leadership Academy, which serves as our premier accelerated management program.

Our commitment to diversity and inclusion starts at the top through the engagement of our senior leaders. Walmart U.S. Chief Operating Officer Gisel Ruiz is the first Hispanic woman to lead more than 3,900 Walmart stores across the U.S. and was named by *FORTUNE* magazine as one of the 50 Most Powerful Women in Business. 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 at the top by integrating diversity and inclusion into business strategy as the foundation for our commitment to customer service and associate development.

As we continue to broaden and accelerate diversity in our workforce, we remain committed to maintaining an inclusive workplace through leadership engagement, associate development and external investment in our communities.

## Where jobs turn into careers: Opportunity is plentiful in Walmart U.S.

At Walmart, our people truly do make the difference, which has a significant impact on the customer experience. We continue to invest in on-the-job talent development and career advancement opportunities for our associates, as well as skills training programs that cater to the specific needs of our communities at large.

The Walmart U.S. Talent Development team is charged with on-boarding more than 500,000 new associates (including temporary associates) each year, as job seekers from across the nation choose Walmart as their preferred employer. The team's New Associate Orientation program and Job-Specific Training plans provide the opportunity for all new associates, from cashier to market manager, to learn what it takes to be a Walmart associate, how to prosper in the Walmart culture, and how to be the best at their chosen job.

The surprise for many new Walmart associates is that whether they joined seeking flexible work, part-time or full-time positions, Walmart offers a diversity of career destinations for thousands of Americans. The Walmart U.S. Talent Development team delivers training and career development programs that have resulted in more than 165,000 associate promotions each year. Design and delivery of technical and leadership skills programs by the U.S. Talent Development team provides Career Pathways, which support associates' choice to make Walmart a career destination.



## Walmart U.S. Field Management 2007 to 2012

Women      People of color

Increase in market managers

+92%

+61%

Increase in store managers

+42%

+32%

Increase in co-managers

+134%

+125%



Developing our Leaders:

**6,615**

Walmart U.S. leaders were developed under our Assistant Manager Training Program.

## Walmart Lifelong Learning Program

We know that education is the single most competitive advantage our associates can have in the 21st century. We also know that time constraints and cost are the two factors which most commonly prevent working adults from taking the step to return to college. With this in mind, we created the Lifelong Learning Program to make college more affordable and more accessible for associates and their family members who desire to continue their education. Through this program, we believe Walmart can make meaningful progress against the following four goals:

- Better equip associates for their futures
- Strengthen the company's talent pipeline
- Demonstrate the value of retail jobs
- Play a leadership role in increasing the number of Americans with postsecondary education credentials

Through a partnership between Walmart and American Public University (APU), U.S. associates receive:

- A 15 percent tuition grant
- A book grant for all required undergraduate textbooks
- College credit at no cost for courses in which an associate can demonstrate that their on-the-job training and learning is equivalent

Since the Lifelong Learning Program launched in June 2010, it has attracted a broad range of associates. Participant demographics and achievements include:

- More than 4,000 associates have enrolled in the program and have taken one or more courses.

- More than half of participants are women, and approximately 24 percent are people of color.
- Participants work in all 50 states and the District of Columbia.
- From program launch to January 2013, APUS presented 61 degrees and 18 professional certificates to Walmart associates (Walmart, Sam's Club, Logistics and Home Office) under the Lifelong Learning Program.
- For select salaried managers, Walmart's Management Professional Development program provides easy access to on-site and online classes, including courses from accredited colleges such as American Public University (paid for by Walmart).

## Leadership Academy

Our premier talent fast track program is designed to accelerate the advancement of our best leaders. Leadership Academy is a system that takes top talent that has been identified by the business, accelerates their growth, expands their networks and places them into important roles in the business. The classes are shaped by – and respond to – current global events and business challenges. Leadership Academy consists of four tracks, allowing participants to work and learn alongside peers from across the business.

Graduates are placed into new roles as soon as possible following completion of the program. In 2012, 131 associates completed the program, with more than 400 associates having completed the program since its inception. A key facet of Leadership Academy is its design as an immersion program, and a critical component is Cohort Leaders. These key points of differentiation make this a very unique development experience.



## Global Merchant Talent Development

- Developed the Walmart U.S. Merchant Competency Model.
- Designed and introduced a Global Merchant Development Framework.
- Instituted a formal Merchant Development Dashboard to measure participation rates, knowledge gaps and business impact.
- Refinement of Next Generation Merchant Programs that offer networking, sponsorship and organizational knowledge learning opportunities to develop merchant careers.
- Merchandise Leadership Program (MLP) and Replenishment Leadership Program (RLP) offered training opportunities for candidates during a six-month-plus rotational program. Participants include both U.S. and international associates.
- Merchandise Leadership Program (MLP) trained 30 candidates in FY2013, including three from International.
- Replenishment Leadership Program (RLP) trained 24 candidates in FY2013, including three from International.
- In FY2013 we hosted 38 interns, 19 of which will be future Merchant Talent Program participants (MLP, RLP or intern).
- Development of comprehensive EDLP/EDLC education.
- Designed and introduced Transitioning Of Talent to Merchandising (TOTM).
- In 2012, we trained eight candidates (six store managers with six to 22 years of experience, one internal cross-functional candidate, and one external candidate).

## Marketing at Retail Speed (MARS) Program:

- The MARS orientation and immersion program introduced eight new associates to the Walmart Marketing department in FY2013.
- The MARS program is eight weeks long and includes in-store training, merchandise overviews, Marketing and Merchandising course work, exposure to distribution and layout centers, specialized in-market training, and a case study/final presentation centered around the Walmart core customer, culture and business model.

## Champions in Development: Accelerated development for diverse talent

- Launched Champions in Development for top talent women in Operations.
- 80 high-potential women participants.
- Women's development program.
- Leadership engagement and follow-up.
- Two EVP leadership touch points.
- Quarterly SVP leadership touch points.
- Eight regional leadership touch points.
- 20 Operations participant promotions as of Dec. 25, 2012.

## Accelerated Hourly Supervisor Program

Seven-week program to accelerate readiness and competitiveness of our hourly population for promotion into the assistant manager role.

- 462 (93 percent) graduates.
- 52 women promoted; 22 minorities promoted following August graduation.
- Competency and leadership development; interviewing skills.

**Whether associates are coming to Walmart for a job or a career, they will find themselves a more capable and prepared person after working at Walmart.**



## At-a-glance

<b>Formats</b>	1
<b>Banners</b>	Mas Club, Sam's Club
<b>Stores</b>	620
<b>Market's corporate website</b>	<a href="http://www.corporate.walmart.com">www.corporate.walmart.com</a> <a href="http://www.samsclub.com">www.samsclub.com</a>
<b>Market's sustainability website</b>	<a href="http://www.corporate.walmart.com/global-responsibility-report">www.corporate.walmart.com/global-responsibility-report</a>

*Store counts as of Jan. 31, 2013*



Welcome





## Social responsibility

## Sam's Club

## Sam's Club Giving Program

Charitable giving is part of our culture and company history. We are committed to making an impact by supporting community-based programs that help small-business owners grow as well as empower young people and families. In FY2013, Sam's Club and the Sam's Club Giving Program made cash and in-kind contributions of more than \$106 million, including the donation of more than 43 million meals. For more information on Sam's Club Giving, please visit [www.samsclub.com/giving](http://www.samsclub.com/giving).



associates volunteered  
**9,000 hours**  
helping local small businesses during  
**National Small Business Week**

**137 million**  
meals provided  
to local food banks  
since 2005

### Giving locally

We work in the communities we serve to understand the greatest need and lend support through volunteerism, cash and product donations. In 2012, Sam's Club associates volunteered more than 300,000 hours total. Through their efforts, more than \$3.2 million was awarded to eligible organizations through the Volunteerism Always Pays program. In addition, Sam's Club Associates spent 9,000 hours in their communities helping small businesses during National Small Business Week.

### Giving nationally

Sam's Club and the Sam's Club Giving Program support a number of leading nonprofits who have a direct impact on small business owners across the country. We expect our most recent grantmaking

with ACCION, National Association of Latino Asset Builders, Count Me In, The SCORE Foundation, Junior Achievement and others will:

- Help 3,600 small-business owners get training
- Provide 265 small-business loans
- Create/maintain 1,200 jobs
- Educate 35,000 students

### Meals donated

Sam's Club provides proteins, including meat and cheese, as well as baked goods to Feeding America for distribution to its hundreds of food banks nationwide. Since partnering with Feeding America in 2005, we've provided more than 137 million meals to its network of local food banks.

## Supplier Diversity

Our Supplier Diversity program aims to create economic opportunity for minority- and women-owned businesses, while delivering merchandise that's extremely relevant to our members. We held two supplier summits last year as a way to bring the program to life at Sam's Club by connecting suppliers and buyers.

In April 2012, Michele Sutton, Founder and CEO of Sutton Ferneries, a fern and foliage supplier based in Miami, attended a Sam's Club Supplier Summit. She's a Jamaican woman who leads her company with extensive industry knowledge, as well as strong attention to detail and organizational skills. Michele and our floral buyer connected, and, over the next several weeks, worked together to create a greenery program at Sam's Club. The partnership is just over one year old, but has developed as if they were long-term business partners. This is a big win for both Sutton Ferneries and Sam's Club, and our members love the result.



For a video about one of our recent supplier summits, go to the online version of this report <http://corporate.walmart.com/microsites/global-responsibility-report-2013>.







## Company responsibility

## Sam's Club

## Diversity

Our U.S. workforce is composed of approximately 114,000 associates, including more than 58,000 women.

We're continually striving to become one of the best places to work for both women and people of color. In February 2012, Rosalind Brewer became Wal-Mart Stores, Inc.'s second female CEO, joining Walmart Canada's CEO Shelley Broader. Rosalind is the first African-American female CEO of a business unit in the company and the first African-American female to report directly to the CEO of Wal-Mart Stores, Inc.

Approximately  
**50%**  
of our associates  
are women

### Over the past three years (2009–2012) at Sam's Club:

- The number of people of color officers has increased by 133 percent.
- The number of female officers has remained the same.
- Female market managers have increased by 120 percent.
- Female club managers have increased by 18.3 percent.
- Female club assistant managers have increased by 1.4 percent.
- People of color club managers have increased by 6.3 percent.
- People of color assistant managers have increased by 2.6 percent

## Focus on MSP inspires Project: S.A.M.

In October 2012, Sam's Club launched Project: S.A.M. (Sustainability Actions Matter), a program piloted in the west division that was designed to marry My Sustainability Plan's (MSP) focus on personal sustainability actions outside the workplace with simple steps intended to produce tangible business and sustainability results within our U.S. clubs.

During the pilot, points were calculated based on the number of Super Sandwich Bale (SSB) tons recycled, freezer cooler door alarm hours, and the number of associates who signed an MSP card and was displayed in each club (more details to the right). A running scorecard was kept and distributed monthly, showing where each individual club and collective region of clubs ranked in terms of progress. Each club appointed a Project: S.A.M. captain to maintain a commitment

board for associates to stay engaged. These boards quickly became a source of motivation as two awards were presented in the west division at the Sam's Club Year Beginning Meeting: one for the most sustainable club and another for the most improved club as it relates to sustainability.

With the completion of a successful pilot in January 2013, Sam's Club plans to roll the program out nationally for one year, beginning in April 2013. As a result, awards will be given annually, moving forward to the club that performs best in all three areas. By focusing on the three simple steps outlined in Project: S.A.M., we're leveraging our size and scale to grow the impact we're having inside and outside our physical club walls.

## Project: S.A.M. revolves around three core goals:

**S – Super Sandwich Bales (SSB)**  
(increase by 5 percent) SSBs are compacted recyclable materials literally sandwiched between a few layers of cardboard and are a key metric for measuring the waste diversion performance in our clubs.




**A – Alarms on Freezer Cooler Doors**  
(decrease by 25 percent) Sam's Club had nearly 200,000 hours of alarms last year at a cost of over \$2 million.

**M – MSP Participation**  
(increase club participation in MSP to 25 percent overall)  
The average MSP participation rate among associates was less than 1 percent prior to launch.





Our progress

# 2012 Commitments and progress

-  Completed
-  On track
-  Not met

Commitment	Progress	Update
Eliminate landfill waste from U.S. stores and Sam's Club locations by 2025.		Even as our retail sales and square footage continue to increase, Walmart U.S. improved to 80.9 percent reduction in 2012. Sam's Club U.S. improved to 77.31 percent reduction in 2012.
Reduce our global plastic shopping bag waste by an average of 33 percent per store by 2013 (2007 Baseline).		We exceeded the target by reducing plastic bag waste across our global operations by 38.1 percent, or approximately 10 billion bags.
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).		While considerable attention is being paid to producing more food to meet growing population demands, one of the most immediate and effective ways to alleviate some of the pressure is to waste less of what we already have. One example of our progress in this area is our ASDA operations aligning with the U.K. government's Courtauld Commitment to eliminate 2,455 tonnes of food waste through better forecasting in our fresh department and another 1,059 tonnes by reducing back-of-house inventory.

## Products

We will partner with suppliers to improve energy efficiency by 20 percent per unit of production by the end of 2012 in the top 200 factories in China from which we source directly (2007 Baseline).		210 factories achieved the goal of improving energy efficiency by 20 percent during the program period. Total energy savings from the program is 2.2 billion kWh, which is equivalent to reducing 2.1 million metric tons of GHG emissions.
We will work with suppliers to drive customer returns on defective merchandise virtually out of existence (less than 1 percent) by the end of 2012.		Returns from defective merchandise for FYE2013 were 0.94 percent.



## 2012 Commitments and progress

✓ Completed

> On track

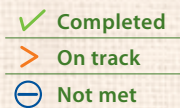
⊖ Not met

Commitment	Progress	Update
<p>Reduce packaging by 5 percent globally by 2013 (2008 Baseline).</p>	<p>✓</p>	<p>We've been working to reduce packaging in the products we sell by 5 percent by 2013, compared to our 2008 baseline. We achieved this milestone through a variety of multiyear initiatives to eliminate unneeded packaging components, reduce the mass of our remaining packaging materials and optimize the performance of the packaging we use in each product category. When we began this effort in 2007, there were no effective packaging reduction metrics used commonly within the packaging or retail industries, but working with packaging manufacturers, consumer products companies and a group of government entities and NGOs, we developed the Walmart packaging scorecard and the methodology for measuring and improving the environmental impact of the packaging we use.</p> <p>By focusing on the GHG emissions that result from each unit of packaging we use, our suppliers have partnered with us to reduce the overall GHG impact of our packaging by an average of 9.8 percent in our Walmart U.S. stores, 9.1 percent in our Sam's Clubs in the U.S. and 16 percent in our Walmart Canada stores.</p>
<p>Be packaging neutral globally by 2025.</p>	<p>⊖</p>	<p>We created this goal in 2007 as an aspiration that would guide our full supply chain to rethink packaging at every level. As a result, we've made significant progress in optimizing packaging for sustainability and continue to focus on packaging improvements that reduce packaging materials, increase recycled content and increase the amount of renewable materials. Our efforts have been instrumental in better defining packaging sustainability through the development of the Global Protocol for Packaging Sustainability (GPPS), the ongoing work of the ISO in establishing new global standards and with The Sustainability Consortium. With clear standards for packaging optimization now being established on a global level by recognized international bodies, we've chosen to retire this directional goal and focus our efforts on driving packaging optimization in key categories throughout our merchandising business.</p>
<p>We will develop a worldwide sustainable product index.</p>	<p>&gt;</p>	<p>Using the work of The Sustainability Consortium, we've delivered the Sustainability Index to more than 250 buyers across 190 categories in Walmart U.S., Sam's Club and Walmart Canada. We continue to expand across additional categories and markets.</p>
<p>Beginning in 2013, we'll use the Index to influence the design of our U.S. private-brand products.</p>	<p>&gt;</p>	<p>We've begun evaluating Index results in high-volume, private-brand categories to identify opportunities to drive improvements in product design.</p>



## Our progress

## 2012 Commitments and progress

Products *continued*

Commitment	Progress	Update
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.	<span style="color: orange;">&gt;</span>	We're actively working with our global sourcing leadership to set sustainability objectives for the coming year.
The Walmart Foundation is awarding a \$2 million grant to establish The Sustainability Consortium (TSC) in China and fund initial TSC research on supply chain sustainability.	<span style="color: green;">✓</span>	The Walmart Foundation awarded a \$2 million grant to TSC to support its expansion in China.
Eliminate 20 million metric tons (MMT) of greenhouse gas (GHG) emissions from Walmart's global supply chain by the end of 2015.	<span style="color: orange;">&gt;</span>	In partnership with our suppliers and customers, we've eliminated more than 2.3 MMT of GHG emissions. We project our implemented and near-complete innovation initiatives will deliver more than a cumulative 8.5 MMT of GHG emissions by 2015 and more than 16.5 MMT by 2020. We're confident that our broader portfolio of innovation projects has the potential to meet our goal by 2015.
Private-label, nonbranded and direct import merchandise suppliers declare name and location of every factory used to make the products Walmart sells.	<span style="color: green;">✓</span>	U.S., U.K. and Canada accomplished by the end of 2009; all retail markets accomplished by April 2010.
Walmart will sell \$1 billion sourced from 1 million small and medium-sized farmers in emerging markets by the end of 2015.	<span style="color: orange;">&gt;</span>	In 2012, we sold an estimated \$380 million in produce sourced from 15,500 small and medium-sized farmers in our Argentina, Brazil, Central America, Chile, India and Mexico retail operations. We'll also include private-brand products dependent on staple and cash crops, such as cotton, grown by smallholder farmers, and have modified the goal to reflect this scope.
Private-label, nonbranded and direct import suppliers declare their factories are compliant with social and environmental regulations.	<span style="color: green;">✓</span>	Supplier agreement updated in 2012.



## 2012 Commitments and progress




- ✓ Completed
- > On track
- ⊖ Not met

Commitment	Progress	Update
By the end of 2012, we will require that 95 percent of direct import factories receive one of the two highest ratings in audits for environmental and social practices.	✓	Since the announcement of the goal in Beijing in 2008, we've increased the percentage of green and yellow direct import factories by more than 12 percent and surpassed our goal in 2013 by achieving 96 percent.
Walmart will provide training to 1 million farmers and farm workers in the global agriculture value chain, of which we expect half will be women, in emerging markets by the end of 2016.	>	By the end of 2012, Walmart and the Walmart Foundation had contributed to training some 150,000 farmers and farm workers in emerging markets, of which about 33,000 were women. We've adjusted the goal to align with the Women's Economic Empowerment commitment of training 500,000 women in the agriculture value chain in emerging markets and expanded the scope to include staple and cash crops.
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.	>	We're measuring farmer income in retail markets with the largest number of smallholders. An income assessment of Walmart China small and medium-sized produce growers is under way. A second market will be considered in 2013.
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 widespread drought facing many of our vegetable farmers and early freezes that cut a swath through the eastern apple crops, we're still 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 sustainably sourced palm oil in all of our private-brand products globally by the end of 2015.	>	Twenty percent of our global palm oil use supports sustainable growing. This includes Green Palm certificates, Mass Balance and Segregated. Six of our international markets purchased GreenPalm certificates to cover all their 2012 palm usage.
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, which will continually be updated with the public and geographical information necessary to address supply chain risks specific to Brazil.





Our progress




# 2012 Commitments and progress

-  **Completed**
-  **On track**
-  **Not met**

Products *continued*

Commitment	Progress	Update
<p>In the U.S., Walmart will require all fresh and frozen, farmed and wild seafood products sold at Walmart and Sam's Club to become certified as sustainable by a third party using Marine Stewardship Council (MSC), Best Aquaculture Practices (BAP) or equivalent standards. Walmart will require currently uncertified fisheries to develop work plans to achieve certification and report progress biannually.</p>		<p>Ninety-seven percent of our farmed fish is Best Aquaculture Practices (BAP) certified. The remaining 3 percent are low environmental risk fisheries such as trout, oysters, clams and mussels, where there is no certification standard available.</p>
<p>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.</p>		<p>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.</p>

## Energy

<p>Be supplied by 100 percent renewable energy.</p>		<p>As of 2012, Walmart-driven renewable energy projects and purchases provided about 4 percent annually of our buildings' electricity needs. The grid supplied another 17 percent, for a total of 21 percent renewable electricity.</p>
<p>Double fleet efficiency in the U.S. by October 2015 (2005 Baseline).</p>		<p>Walmart U.S. Logistics has achieved an 80 percent improvement in fleet efficiency over our 2005 baseline. The combination of new equipment with better technology and increased system capabilities drove a 10 percent increase in 2012.</p>
<p>Reduce greenhouse gases (GHG) at our existing store, club and distribution center base around the world by 20 percent (2005 Baseline).</p>		<p>At the end of 2011 (the most recent year for which we have complete data), we'd surpassed this goal and anticipate further progress from this past year.</p>



## 2012 Commitments and progress

✓ Completed

> On track

⊖ Not met

Commitment	Progress	Update
<p>Source \$20 billion from women-owned businesses for our U.S. business and double sourcing from women suppliers in international countries where we do business through 2016.</p>		<p>In the U.S., we engaged a third party to profile the current state of women-owned business (WOB) sourcing trends and to definitively understand the landscape of current and potential WOB suppliers. We created breakthrough solutions and a road map for meeting or exceeding the WOB goal.</p> <ul style="list-style-type: none"> <li>• Established an advisory network made up of merchants, suppliers and NGOs to guide our sourcing work.</li> <li>• Conducted 8 Diverse Supplier Summits across the organization. Internationally, developed retail link system to track our global spend with women-owned businesses.</li> <li>• Launched e-commerce platform, Empowering Women Together, on March 7, 2013, with products from WOBs and collectives from around the world.</li> </ul>
<p>Empower women on farms and in factories through training, market access and career opportunities. By the end of 2016, in emerging markets train 500,000 women in the agriculture value chain.</p>		<p>By the end of 2012, we'd trained approximately 150,000 farmers and farm workers, of which about 33,000 were women. The Walmart Foundation funded new projects in Brazil, China, India and Nigeria during 2012 and will continue to identify and support additional projects.</p>
<p>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.</p>		<p>Our Women in Factories program, funded by grants from the Walmart Foundation, is being rolled out to 150 factories in Bangladesh, Central America, China and India by 2016 to provide the core competencies needed for women to be successful in the workplace, at home and in their communities. To date, 20,977 people have participated in the Foundational Training, including 16,667 women.</p>



Our progress

# 2012 Commitments and progress

- ✓ Completed
- > On track
- ⊖ Not met

## Women’s economic empowerment initiative *continued*

Commitment	Progress	Update
<p>Scale our successful retail training programs to help 200,000 women internationally.</p>		<p>In April 2012, we announced an innovative partnership with the Inter-American Development Bank and major multinationals to train as many as 1 million youth, half of which will be women, for their first job over the next 10 years in the Western Hemisphere. We'll contribute our successful retail training curriculum to the initiative and will work with the IDB to pilot retail training programs for women throughout the hemisphere. Through funding from the Walmart Foundation to the <b>International Youth Foundation</b>, the translation of the Brazilian curriculum materials into Spanish, English and Chinese is complete, and we'll implement pilot programs in Argentina, Chile and Mexico this spring.</p>
<p>Help 200,000 women in the U.S. from low-income households gain the skills they need for employment.</p>		<p>In August 2011, the Walmart Foundation, alongside six women’s foundations, announced the launch of the <b>Partnership for Women’s Prosperity</b> to help economically vulnerable women gain financial and economic security through education, job training and employment opportunities. The Walmart Foundation has provided \$3.35 million in grants to initiate efforts and assist nearly 5,000 women and girls in 16 communities across the United States. Since 2011, the Walmart Foundation has awarded two grants totaling \$4.6 million to <b>Dress for Success</b> and their <b>Going Places Network</b> program. The grant is projected to help 10,000 women, and 5,000 have already received training in critical job-readiness skills that will help them gain and remain in solid employment. In 2011, the Walmart Foundation supported <b>Goodwill Industries’ Beyond Jobs Program</b> with a grant of over \$7.7 million to support 12,250 women.</p>
<p>Work with professional service firms and merchandise suppliers with more than \$1 billion in sales to increase opportunities for women and minorities on Walmart and Sam’s Club accounts.</p>		<p>In the U.S., we’ve developed an online database to track gender and diversity representation for the Walmart account among major suppliers. We’re educating suppliers and working through pilot programs to determine the best approach to achieve our target results. Internationally, we’ve communicated the program with local markets and identified owners for the program. We’ll begin the program with global suppliers.</p>
<p>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.</p>		<p>The Walmart Foundation continues to support these programs, and we’re working to develop a systematic way to track progress moving forward.</p>



## 2012 Commitments and progress

✓ Completed

> On track

⊖ Not met

Commitment	Progress	Update
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### Healthier Food

Over the past year, we've made significant progress toward our five commitments in this critical area.

#### Reformulate thousands of everyday packaged food items by the end of 2015

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 compared against a January 2008 baseline.



In 2012, we completed the development of a robust system that will help us track progress being made toward the reformulation of Great Value and national-brand products. Nutrition data was collected for a 2008 baseline and compared against 2011 data on more than 50,000 private- and national-brand food items and beverages. These comparisons stretched across 74 focus grocery categories.

Since 2008, industrially produced trans fats were reduced by 50 percent. Less than 10 percent of foods and beverages we sold in 2011 contained industrially produced trans fats.

Surpassing our goal, sugars have declined by more than 10 percent since 2008. Sugars have declined for three primary reasons: reformulated products, new healthier products coming into the marketplace and customers making healthier choices.

Since 2008, sodium declined by 9 percent. Between 2008 and 2011, we decreased sodium by 13 percent across the commercial bread category. This is equivalent to removing more than 1.5 million pounds of salt from the market baskets of our shoppers.

#### Save customers money on healthier food

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 FY2013, we achieved \$1.2 billion in savings, bringing the total savings for customers to \$2.3 billion over the first two years of the program. We're tracking the price premium for healthier equivalents of national brands for more than 500 pairs of items in an effort to eliminate the price differential. In order to truly understand the price differences, we look at both price and size of package, since price premiums can show up with smaller packages and/or higher prices. The price differential has been reduced in the past year from 5.7 to 5.4 percent. We'll continue to work closely with our suppliers to reduce and, ultimately, eliminate price premiums over the remaining three years of our commitment.



Our progress

# 2012 Commitments and progress

- ✓ Completed
- > On track
- ⊖ Not met

## Healthier food *continued*

Commitment	Progress	Update
------------	----------	--------

### Launch a simple front-of-package icon backed by strong nutrition criteria

Launch a simple front-of-package icon backed by strong nutrition criteria.



Our “Great For You” icon is being rolled out across the country and will appear on more than 1,300 Great Value and Marketside foods and beverages in Walmart U.S. stores in 2013. More than 4,000 private-brand products were evaluated against the Great For You nutrition criteria, with approximately 32 percent of fresh produce, meats and packaged items receiving the icon.

In September 2012, we partnered with HumanaVitality, a subsidiary of Humana, to launch a first-of-its-kind effort to help consumers across the country save money on more-nutritious foods and, ultimately, to live longer, healthier lives. HumanaVitality members receive a 5 percent savings when they purchase Great For You food and beverages at Walmart. This partnership represents the first national program where a major retailer and health care company have come together to incentivize people to eat better through savings on healthier foods. Participants are responding favorably as more customers utilize HumanaVitality monthly.

The icon will soon be available to participating national-brand products that meet the Great For You criteria and qualify for the icon.

### Open Walmart stores in food deserts by 2016

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 2012, 86 new Walmart stores had been opened in food deserts since January 2011. As a result, more than 264,000 Americans now have better access to healthier food. We project 800,000 Americans will have access to healthier food by the time we open all 300 stores outlined in our commitment.

### Increase charitable support for nutrition programs

Invest in food and nutrition programs to help educate consumers about healthier food choices.



In FY2013, Walmart and the Walmart Foundation have committed more than \$13 million to innovative programs across the U.S. that support nutrition education, cooking skills training and healthy eating. Since the original commitment, more than \$26 million in grants has been awarded.



## 2012 Commitments and progress

✓ Completed

> On track

⊖ Not met

Commitment	Progress	Update
<h3>Hunger Relief</h3>		
<p>Through 2015, donate 1.1 billion pounds of food from Walmart and Sam's Club facilities.</p>	<p>&gt;</p>	<p>Since our commitment, we have donated more than 1 billion pounds of food.</p>
<p>Through 2015, award \$250 million in hunger-relief grants at the local, state and national levels.</p>	<p>&gt;</p>	<p>As of January 2013, Walmart and the Walmart Foundation awarded \$180 million in hunger-relief grants.</p>
<p>Mobilize Walmart associates and customers.</p>	<p>&gt;</p>	<p>Walmart and the Walmart Foundation engage associates and customers in hunger relief through in-store and online campaigns and volunteerism. Last year, through both online and in-store initiatives, we engaged associates and customers in the fight against hunger. In April, consumers voted to determine the 21 communities across the nation to receive \$2 million in grants. In September, more than 13,000 customers participated in our Golden Spark contest, which awarded more than \$2.5 million to Feeding America food banks and numerous hunger-relief agencies nationwide. Associates continue to step up to fight hunger, volunteering more than 67,000 hours in 2012 alone.</p>
<p>Collaborate with government, food manufacturers, other foundations and corporations.</p>	<p>&gt;</p>	<p>Over the past year, the suppliers involved in the Fighting Hunger Together in-store program more than doubled, increasing from four suppliers in April 2012 to nine suppliers for the April 2013 campaign. To further our impact on hunger in America, Walmart and the Walmart Foundation are collaborating with suppliers, government, food manufacturers and others. In 2012, supplier participation in our in-store campaigns more than doubled, increasing from four to nine. These suppliers donated more than 8 million meals to feed hungry families.</p>



## 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.	4-5, 37, 41, 43, 53-54, 58, 60, 66 Annual Report (AR) (18-29)

### Organizational profile

2.1	Name of the organization.	Front cover
2.2	Primary brands, products and/or services.	97, 10-K (4)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	97, 10-K (4), <a href="http://stock.walmart.com/corporate-governance">http://stock.walmart.com/corporate-governance</a>
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.	97, 10-K (4), AR (18), <a href="http://stock.walmart.com/corporate-governance">http://stock.walmart.com/corporate-governance</a>
2.6	Nature of ownership and legal form.	10-K (1, 20), <a href="http://stock.walmart.com/corporate-governance">http://stock.walmart.com/corporate-governance</a>
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	<a href="http://corporatewalmart.com/our-story/locations">http://corporatewalmart.com/our-story/locations</a>
2.8	Scale of the reporting organization.	97
2.9	Significant changes during the reporting period regarding size, structure or ownership.	AR (18-24)
2.10	Awards received in the reporting period.	86, <a href="http://news.walmart.com/walmart-facts/corporate-financial-fact-sheet">http://news.walmart.com/walmart-facts/corporate-financial-fact-sheet</a>

### Report parameters

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Inside front cover
3.2	Date of most recent previous report (if any).	Inside front cover
3.3	Reporting cycle (annual/biennial, etc.).	Inside front cover
3.4	Contact point for questions regarding the report or its contents.	Stakeholder engagement
3.5	Process for defining report content.	AR (18)
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	96-97
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.	NA
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 (18)



## 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).	72-73, AR (39, 48-49)
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 report 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.	74, <a href="http://stock.walmart.com/corporate-governance">http://stock.walmart.com/corporate-governance</a>
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	74, AR, <a href="http://stock.walmart.com/corporate-governance">http://stock.walmart.com/corporate-governance</a>
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, <a href="http://corporate.walmart.com/our-story/leadership/board-of-directors">http://corporate.walmart.com/our-story/leadership/board-of-directors</a>
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<a href="http://stock.walmart.com/contact-investor-relations">http://stock.walmart.com/contact-investor-relations</a>
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).	<a href="http://stock.walmart.com/corporate-governance/governance-documents">http://stock.walmart.com/corporate-governance/governance-documents</a>
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	74, <a href="http://stock.walmart.com/corporate-governance/governance-documents">http://stock.walmart.com/corporate-governance/governance-documents</a>
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.	74, <a href="http://stock.walmart.com/corporate-governance/governance-documents">http://stock.walmart.com/corporate-governance/governance-documents</a>
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.	<a href="http://corporate.walmart.com/our-story/working-at-walmart/global-ethics-office">http://corporate.walmart.com/our-story/working-at-walmart/global-ethics-office</a> ; <a href="http://corporate.walmart.com/our-story/heritage">http://corporate.walmart.com/our-story/heritage</a>
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.	74, <a href="http://stock.walmart.com/corporate-governance/governance-documents">http://stock.walmart.com/corporate-governance/governance-documents</a>
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	74, <a href="http://stock.walmart.com/corporate-governance/governance-documents">http://stock.walmart.com/corporate-governance/governance-documents</a>
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	74, <a href="http://stock.walmart.com/corporate-governance/governance-documents">http://stock.walmart.com/corporate-governance/governance-documents</a>



## Global reporting initiative index

Description	Reported
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. <a href="http://corporate.walmart.com/global-responsibility/ethical-sourcing/partnerships">http://corporate.walmart.com/global-responsibility/ethical-sourcing/partnerships</a>
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.	75
4.14 List of stakeholder groups engaged by the organization.	72-73
4.15 Basis for identification and selection of stakeholders with whom to engage.	72-73
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	72-73
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.	22-41, 52, 72-73

### Part II: Disclosures on Management Approach (DMAs)

#### DMA EC Disclosure on Management Approach EC

Aspects	Economic performance	AR (IFC, 17-25, 32-35)
Market presence		<a href="http://corporate.walmart.com/our-story/locations">http://corporate.walmart.com/our-story/locations</a>
Indirect economic impacts		22-49

#### DMA EN Disclosure on Management Approach EN

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Biodiversity		NR
Emissions, effluents and waste		56-61
Products and services		62-69
Compliance		78
Transport		59
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#### DMA LA Disclosure on Management Approach LA

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Training and education		81, 87-88
Diversity and equal opportunity		84-87



## Global reporting initiative index

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<b>DMA HR</b>	<b>Disclosure on Management Approach HR</b>	
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	Non-discrimination	84-85
	Freedom of association and collective bargaining	25, LA4
	Child labor	25
	Forced and compulsory labor	25
	Security practices	NR
	Indigenous rights	NR
<b>DMA SO</b>	<b>Disclosure on Management Approach SO</b>	
<b>Aspects</b>	Community	44-49
	Corruption	<a href="http://ethics.walmartstores.com/IntegrityIntheCommunity/AntiCorruption.aspx">http://ethics.walmartstores.com/IntegrityIntheCommunity/AntiCorruption.aspx</a>
	Public policy	75
	Anticompetitive behavior	<a href="http://ethics.walmartstores.com/IntegrityIntheMarketPlace">http://ethics.walmartstores.com/IntegrityIntheMarketPlace</a>
	Compliance	78
<b>DMA PR</b>	<b>Disclosure on Management Approach PR</b>	
<b>Aspects</b>	Customer health and safety	78-81
	Product and service labeling	78-81
	Marketing communications	80
	Customer privacy	<a href="http://ethics.walmartstores.com/IntegrityIntheCommunity/ProtectingInformation.aspx">http://ethics.walmartstores.com/IntegrityIntheCommunity/ProtectingInformation.aspx</a>
	Compliance	78

## Part III: Performance Indicators

## Economic

## Economic performance

<b>EC1</b>	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.	3-5, 8, 97
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change.	54-59, 24-38, <a href="https://www.cdproject.net/en-US/Results/Pages/responses.aspx">https://www.cdproject.net/en-US/Results/Pages/responses.aspx</a>
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations.	90-91, 10-K (11), AR (52)
<b>EC4</b>	Significant financial assistance received from government.	NR



## Global reporting initiative index

Description	Reported
<b>Market presence</b>	
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.	22-43, 64-67
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	NR
<b>Indirect economic impacts</b>	
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	22-49
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	22-49, 74-75, 89, 97
<b>Environmental</b>	
<b>Materials</b>	
EN1 Materials used by weight or volume.	NR
EN2 Percentage of materials used that are recycled input materials.	NR
<b>Energy</b>	
EN3 Direct energy consumption by primary energy source.	NR
EN4 Indirect energy consumption by primary source.	NR
EN5 Energy saved due to conservation and efficiency improvements.	24-38, 54-59, <a href="https://www.cdproject.net/en-US/Results/Pages/responses.aspx">https://www.cdproject.net/en-US/Results/Pages/responses.aspx</a>
EN6 Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives.	54-59, 156
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	54-59, 156
<b>Water</b>	
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.	NR
<b>Biodiversity</b>	
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.	<a href="http://corporate.walmart.com/global-responsibility/environment-sustainability/acres-for-america">http://corporate.walmart.com/global-responsibility/environment-sustainability/acres-for-america</a>
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
<b>Emissions, effluents and waste</b>	
EN16 Total direct and indirect greenhouse gas emissions by weight.	68-69, <a href="http://corporate.walmart.com/global-responsibility/environment-sustainability/acres-for-america">http://corporate.walmart.com/global-responsibility/environment-sustainability/acres-for-america</a> ; 56-57
EN17 Other relevant indirect greenhouse gas emissions by weight.	NR
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	54-59, 156
EN19 Emissions of ozone-depleting substances by weight.	NR
EN20 NOx, SOx and other significant air emissions by type and weight.	NR
EN21 Total water discharge by quality and destination.	NR
EN22 Total weight of waste by type and disposal method.	NR
EN23 Total number and volume of significant spills.	NR
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.	NR
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.	NR
<b>Products and services</b>	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	62-69
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	NR
<b>Compliance</b>	
EN28 Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	NR
<b>Transport</b>	
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	59
<b>Overall</b>	
EN30 Total environmental protection expenditures and investments by type.	NR



## Global reporting initiative index

### Description

### Reported

#### Social: Labor Practices and Decent Work

##### Employment

LA1	Total workforce by employment type, employment contract and region.	15, 84-86, 10-K (11)
LA2	Total number and rate of employee turnover by age group, gender and region.	15, 84-86
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	90-91, 10-K (11)

##### Labor/management relations

LA4	Percentage of employees covered by collective bargaining agreements.	The associates in eight 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, inclusive of the Massmart acquisition.
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.	78-83
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	90-91, 93
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.	87-88
LA12	Percentage of employees receiving regular performance and career development reviews.	72

##### 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.	15, 84-86
LA14	Ratio of basic salary of men to women by employee category.	NR



## Global reporting initiative index

Description	Reported
<b>Social: Human Rights</b>	
<b>Investment and procurement practices</b>	
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
<b>Nondiscrimination</b>	
HR4 Total number of incidents of discrimination and actions taken.	NR
<b>Freedom of association and collective bargaining</b>	
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
<b>Child labor</b>	
HR6 Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor.	22-43
<b>Forced and compulsory labor</b>	
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.	41
<b>Security practices</b>	
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	NR
<b>Indigenous rights</b>	
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.	NR
<b>Social: Society</b>	
<b>Community</b>	
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
<b>Corruption</b>	
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.	<a href="http://news.walmart.com/walmart-global-compliance-action-steps">http://news.walmart.com/walmart-global-compliance-action-steps</a>



## Global reporting initiative index

Description	Reported
<b>Public policy</b>	
SO5 Public policy positions and participation in public policy development and lobbying.	75
SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	75
<b>Anticompetitive behavior</b>	
SO7 Total number of legal actions for anticompetitive behavior, antitrust and monopoly practices and their outcomes.	NR
<b>Compliance</b>	
SO8 Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations.	10K (4), AR (50-51)
<b>Social: Product Responsibility</b>	
<b>Customer health and safety</b>	
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.	62-67
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.	78-83
<b>Product and service labeling</b>	
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.	72-73
<b>Marketing communications</b>	
PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	<a href="http://ethics.walmartstores.com">ethics.walmartstores.com</a>
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
<b>Customer privacy</b>	
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	NR
<b>Compliance</b>	
PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	NR



More resources about Walmart are just a click away:

Global Responsibility:

<http://corporate.walmart.com/global-responsibility/>



Sustainability

<http://www.walmartgreenroom.com/>

Statement of Ethics

<http://ethics.walmartstores.com/>



#### 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 multistakeholder approach supports the reporting framework, now incorporated into the 2013 Walmart Global Responsibility Report. Walmart's report met a GRI-checked application of "B."





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