

2021 Green Bond Impact Report

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Walmart's Strategy and Approach to ESG

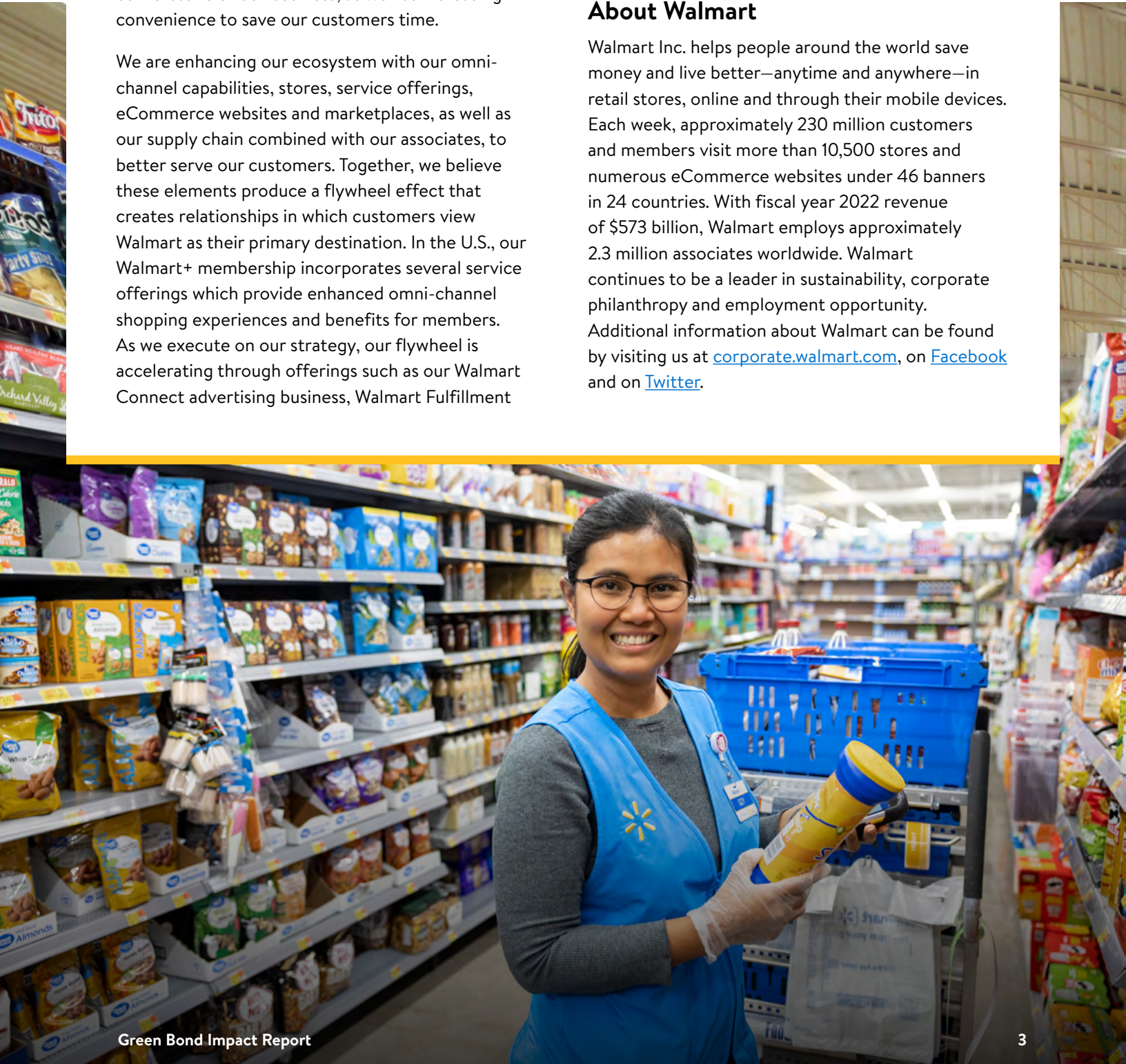
Our strategy is to make every day easier for busy families, operate with discipline, sharpen our culture and become more digital, and make trust a competitive advantage. Making life easier for busy families includes our commitment to price leadership, which has been and will remain a cornerstone of our business, as well as increasing convenience to save our customers time.

We are enhancing our ecosystem with our omni-channel capabilities, stores, service offerings, eCommerce websites and marketplaces, as well as our supply chain combined with our associates, to better serve our customers. Together, we believe these elements produce a flywheel effect that creates relationships in which customers view Walmart as their primary destination. In the U.S., our Walmart+ membership incorporates several service offerings which provide enhanced omni-channel shopping experiences and benefits for members. As we execute on our strategy, our flywheel is accelerating through offerings such as our Walmart Connect advertising business, Walmart Fulfillment

Services, our health and wellness business, including Walmart Health, and our financial services business. These offerings represent mutually reinforcing pieces of our flywheel centered on our customers around the world who are increasingly seeking convenience.

About Walmart

Walmart Inc. helps people around the world save money and live better—anytime and anywhere—in retail stores, online and through their mobile devices. Each week, approximately 230 million customers and members visit more than 10,500 stores and numerous eCommerce websites under 46 banners in 24 countries. With fiscal year 2022 revenue of \$573 billion, Walmart employs approximately 2.3 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy and employment opportunity. Additional information about Walmart can be found by visiting us at corporate.walmart.com, on [Facebook](https://www.facebook.com/walmart) and on [Twitter](https://twitter.com/walmart).



Our Approach to ESG

Our ESG strategy is centered on the concept of creating shared value: We believe that we maximize long-term value and create competitive advantage for the Company by serving our stakeholders, including our customers, associates, shareholders, suppliers, business partners, communities and the planet. We believe that addressing these stakeholders' needs builds the value of our business, including by enhancing customer and associate trust, creating new revenue streams, managing cost and risk, building capabilities for future advantage and strengthening the underlying systems we all rely on.

We prioritize the ESG issues that offer the greatest potential for Walmart to create shared value: issues that rank high in terms of relevance to our business and stakeholders and which Walmart is positioned to make a positive impact. Our current ESG priorities

are categorized into four broad themes: opportunity, sustainability, community and ethics and integrity. Please [visit our ESG site](#) for additional information on our ESG approach and reporting.



Opportunity

Good jobs and advancement for associates

Equity and inclusion at Walmart and beyond

Growth for suppliers, sellers and local economies



Sustainability

Climate and renewable energy leadership

Zero waste in operations, products, packaging

Regeneration of natural resources: forests, land, oceans

Sustainable product supply chains

Dignity of people in supply chains



Community

Serving communities

Access to safer, healthier products and services

Disaster preparedness and relief



Ethics and Integrity

Highest ethical and compliance standards

Strong corporate governance

Engagement in public policy

Digital citizenship

Respect for human rights

Walmart's Green Bond

Bond Issuance

Walmart issued its inaugural Green Bond on September 22, 2021 ("Green Bond"). This \$2 billion bond was Walmart's first offering under the Walmart Inc. [Green Financing Framework](#), published in August 2021, which details how the Company intends to finance or refinance new and/or existing investments, in whole or in part, that enable Walmart to meet its environmental objectives. The Green Bond addresses the four core components and key recommendations of the 2021 Green Bond Principles, administered by the International Capital Markets Association.

Leading the Green Bond as active bookrunners were four nationally recognized minority- and women-owned firms including African American- and service-disabled veteran-owned AmeriVet Securities, Inc.; women-owned C.L. King & Associates, Inc.; Hispanic-owned Samuel A. Ramirez & Company, Inc. and African American- and women-owned Siebert Williams Shank & Co., LLC. BofA Securities, Inc., Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC also served as active bookrunners. BofA Securities, Inc. was the Green Structuring Agent, while Citigroup Global Markets Inc. served as Diversity and Inclusion Coordinator.

Walmart received a second-party opinion on the Framework pre-issuance from Sustainalytics, which is available on its [website](#).



Use of Proceeds

Walmart will allocate an amount equal to the net proceeds of the Green Bond to investments which meet the stated eligibility criteria outlined in the Bond Prospectus. These investments may be for new eligible investments or existing eligible investments funded within three years preceding the issue date of the Green Bond and fall within the following categories:

- Renewable energy
- High-performance buildings
- Sustainable transport
- Zero waste and circular economy
- Water stewardship
- Habitat restoration and conservation

Please see the [Bond Prospectus](#) for full details on eligibility criteria for these categories.

As noted in the Bond Prospectus, Walmart will report annually until an amount equal to the net proceeds from the sale of the notes has been allocated to eligible green investments (as defined therein). Walmart will, on a best-effort basis, provide an update on the impacts of these investments in the allocation reporting.

This report covers the allocation of Walmart's Green Bond proceeds to select eligible projects with spend occurring between February 1, 2020 and January 31, 2022. As outlined in the Bond Prospectus and Framework, each allocation report will be accompanied by an attestation from an independent registered public accounting firm with respect to such firm's examination of Walmart's allocations conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The attestation for this report is from Ernst & Young and is included in Appendix B of this report.



Project Allocation and Impact

In accordance with the Green Financing Framework and Bond Prospectus, Walmart allocated a portion of the net proceeds of the Green Bond to finance or refinance investments made or completed during Walmart's fiscal years 2021 and 2022¹ within eligible categories. These allocations reflect sustainability priorities, including opportunities to drive innovation for future practice.

Walmart's Sustainable Finance Committee—composed of internal representatives from Treasury, Controllershship, Sustainability, ESG, Investor

Relations, Finance and Legal—determined allocations of selected projects. The Committee will continue to meet throughout the life of the Green Bond.

The Six “Eligible Green Bond Categories” are:



Renewable
Energy



High-
Performance
Buildings



Sustainable
Transport



Zero Waste
and Circular
Economy



Water
Stewardship



Habitat
Restoration
and Conservation

¹ While the Green Bond allows for a look-back period of three years pre-issuance (beginning September 2018), Walmart's current allocations are limited to the period beginning with Walmart's fiscal year (FY) 2021, which started on February 1, 2020, through the end of FY2022, which ended on January 31, 2022.

Green Bond Allocation and Impacts

\$1.1 billion

~55% allocation with the majority of spend allocated to U.S. projects

Examples of Impact Related to Select U.S. Projects (CY2020–CY2021)³:

The select U.S. projects to which Walmart allocated Green Bond funds were estimated to have resulted in the following positive environmental impacts. For additional information on our programs and our overall environmental approach, please see our [ESG briefs](#).

Amount Allocated by Eligibility Category²

\$377.9M

Renewable Energy

Projects including solar and wind power purchase agreements, solar and wind virtual power purchase agreements and onsite solar and wind

\$338.3M

High-Performance Buildings

Projects including efficient lighting and HVAC upgrades, sustainable building materials and refrigeration retrofiting

\$307.5M

Zero Waste and Circular Economy

Projects including general recycling of cardboard, organics and other materials

\$66.5M

Sustainable Transport

For hydrogen forklifts

\$6.9M

Habitat Restoration and Conservation

Through our Acres for America program

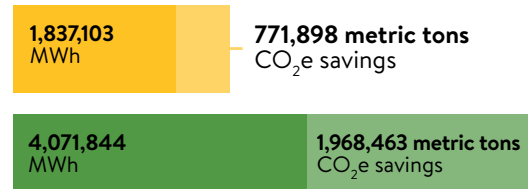
\$3.0M

Water Stewardship

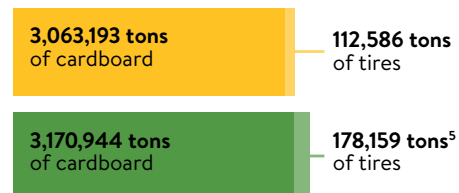
Projects including water treatment plants and irrigation monitoring

■ CY2020 ■ CY2021

Renewable Energy Generated



Waste Diverted from Landfill⁴



Natural Habitat Protected

through our Acres for America program



² The Green Bond allocation and impacts do not capture cost savings or income received from project investments. Therefore, the allocation does not attempt to quantify the financial returns from investing in sustainable initiatives.

³ Walmart allocated the proceeds based on spend during FY2021 and FY2022. Environmental impacts reported here correspond to impacts realized during the closest corresponding calendar years, which are calendar years (CY) 2020 and CY2021.

⁴ Green Bond proceeds were allocated to cardboard recycling, mixed recycling and the diversion of tires from landfills. Waste diverted is based on review of material handling and waste diversion processes, as reported by waste vendors, food banks and stores. In cases where certified or otherwise-documented weights were not available due to industry challenges, they have been estimated based on waste audits, historical data, extrapolation for similar facilities in size and scope, etc.

⁵ For both CY2020 and CY2021, the weight of tires is based on standard conversions for passenger and light truck tires recycled from retail locations and fleet tires from transportation maintenance garages.

Featured Projects

Below are examples of select U.S. projects that were supported through the Green Bond. For additional information on our programs and our overall environmental approach, please see our [ESG briefs](#).

Solar Power Infrastructure

Renewable Energy

Walmart has [set a goal](#) to power 50% of our global operations with renewable sources of energy by 2025 and 100% by 2035; as of the end of 2021 we were at 46%.⁶ According to the [EPA Green Power Partnership](#) Top 30 Retail Ranking, Walmart was the top retailer in terms of annual green power usage in the U.S. as of July 2022. Beyond Walmart's operations, Walmart's [Project Gigaton™](#) initiative encourages Walmart suppliers to switch to renewable energy sources; additionally, the [Gigaton PPA](#) collaboration with Schneider Electric offers suppliers the opportunity to participate in aggregate, utility-scale power purchase agreements (PPA).

Bringing solar power online is an important component of our [renewable energy strategy](#).

As of the end of FY2022, Walmart had over 400 solar energy installations on our U.S. stores, distribution centers and clubs. Walmart allocated \$33.3 million of our Green Bond net proceeds into new and existing solar projects, including:

- 51 solar energy projects developed with EDP Renewables distributed across seven states: Arizona, California, Illinois, New Jersey, Louisiana, Maryland and South Carolina.
- An 11-system, 6.5 megawatt portfolio of rooftop and carport solar projects across 7 Walmart Supercenters in California developed with Sol Systems.

This growth in solar adds to our 15-year history of using solar installations at our facilities. For more detail on our renewable energy work and the path to achieve our zero emissions goal, please visit Walmart's [Climate Change ESG brief](#).

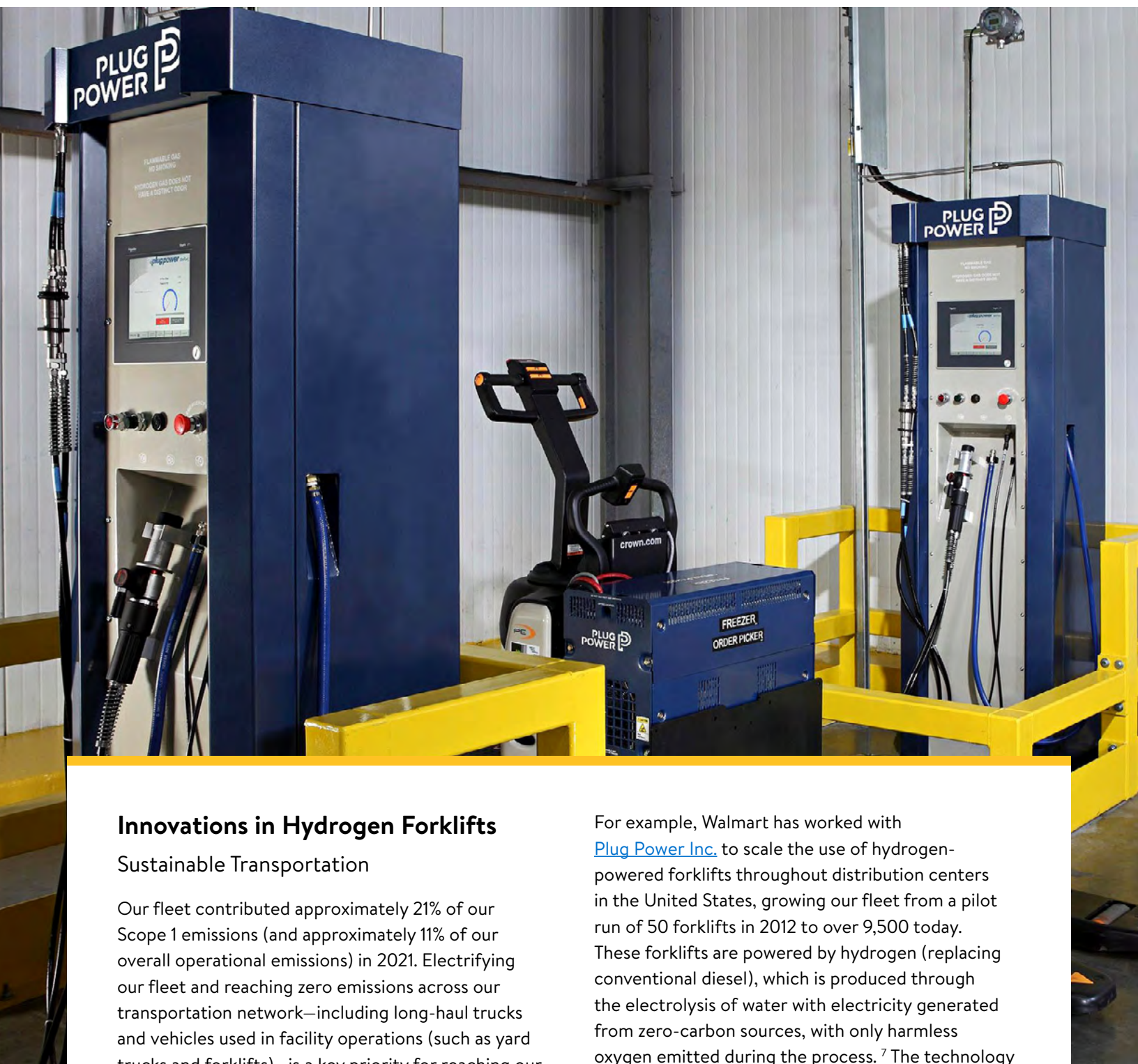
⁶ This includes generation from active renewable and low-carbon projects. It considers the combined contribution of power generated from on-site and off-site projects as well as renewable energy generation feeding into the grids where our sites are located. For CY2021, the latest energy consumption data was used. This was used in combination with the electricity procured from our renewable energy projects and the most recent grid fuel mix information obtained from the International Energy Agency for the regions where we operate. This estimate does not include energy data for our Flipkart business. We believe excluding Flipkart data will have a negligible impact on our estimate.



New Home Office Campus in Bentonville, Arkansas

High-Performance Buildings

Walmart allocated \$33.1 million of our Green Bond net proceeds to procure materials with potential sustainability benefits—including [mass timber](#)—for our [new Home Office campus](#), currently under construction. The new campus, which will consist of 12 office buildings and other amenity buildings across approximately 350 acres in Bentonville, Arkansas, was designed and is being built to be [smart and more sustainable](#) with the goal of being highly efficient, creating zero waste, using more sustainable resources and products and respecting the native geographical landscape.



Innovations in Hydrogen Forklifts

Sustainable Transportation

Our fleet contributed approximately 21% of our Scope 1 emissions (and approximately 11% of our overall operational emissions) in 2021. Electrifying our fleet and reaching zero emissions across our transportation network—including long-haul trucks and vehicles used in facility operations (such as yard trucks and forklifts)—is a key priority for reaching our zero emissions target. Because ready solutions do not exist for most aspects of transportation, we allocated \$66.5 million of Green Bond net proceeds to test new technologies for feasibility and scaling.

For example, Walmart has worked with [Plug Power Inc.](#) to scale the use of hydrogen-powered forklifts throughout distribution centers in the United States, growing our fleet from a pilot run of 50 forklifts in 2012 to over 9,500 today. These forklifts are powered by hydrogen (replacing conventional diesel), which is produced through the electrolysis of water with electricity generated from zero-carbon sources, with only harmless oxygen emitted during the process.⁷ The technology becomes cleaner as we scale our use of renewable energy, currently at 46% and on our way to 50% by 2025 and 100% by 2035. Read more on our sustainable transport [strategy](#).

⁷ For more information please visit [Plug Power Inc.](#) and read their [press release](#) on the agreement between Plug Power Inc. and Walmart Inc.



Recycling Waste Streams into New Products

Zero Waste and Circular Economy

We aim to break the link between consumption and waste as part of the larger global movement toward a more circular economy. We [aspire to achieve zero waste](#) in our global operations and to work with suppliers, customers and communities to accelerate innovation in and adoption of circular packaging and products.

We allocated \$307.5 million of our Green Bond net proceeds to zero waste and circular economy initiatives. This includes innovative programs to turn recycled waste streams into new products for our customers.

For example, used customer tires are collected at our Sam's Club and Walmart auto centers. These tires are picked up by a third party, which shreds them into small pieces before processing the pieces into crumb rubber. We then work with our supplier Apache Mills to turn this used crumb rubber and recycled PET bottles into new heavy-duty commercial entrance mats which we [sell](#) at Sam's Club. This initiative utilizes approximately 400,000 tires per year. [Read more.](#)

Acres for America

Habitat Restoration and Conservation

We allocated \$6.9 million of our Green Bond net proceeds to our [Acres for America program](#). These proceeds allowed Acres for America to invest in fourteen projects in 2020 and 2021, including one which helped the Rappahannock Tribe [re-acquire 484 acres at Fones Cliffs](#), a sacred site to the Tribe located on the eastern side of the Rappahannock River in Virginia. The Tribe will preserve the land and the wildlife that flourish there, including migratory birds and waterfowl. Fones Cliffs is home to bald eagle nests and has been designated by the National Audubon Society as an Important Bird Area with global significance.

In 2005, Walmart committed to preserve at least one acre of natural habitat for every acre of land developed by the company in the U.S. through the Acres for America program, administered by the National Fish and Wildlife Foundation. Over the past 17 years, Acres for America has helped to protect more than 1.8 million acres across 42 states, the District of Columbia and Puerto Rico—an area larger than Everglades National Park. As of FY2021, the acres Walmart helped preserve is more than seven times the number of acres we have developed. The program, renewed in 2015 for another decade, has funded more than 100 projects and has leveraged Walmart's \$60 million investment with matching contributions that have generated a total conservation impact of more than \$1 billion.

Appendix A

Management's Assertion Statement

September 15, 2022

We, as members of management of Walmart Inc. (the “Company”), assert that \$1.1 billion of net proceeds from our issuance of \$2 billion 1.800% Notes Due 2031 (the “notes”) were allocated during the period from February 1, 2020, to January 31, 2022, (the “Reporting Period”) to qualifying Eligible Green Investments that meet the Eligibility Criteria (each as defined in the “Use of Proceeds” section of the Prospectus Supplement dated September 8, 2021, to the Prospectus dated December 4, 2020, filed by the Company on September 9, 2021, with the Securities and Exchange Commission pursuant to Rule 424(b)(2) under the Securities Act of 1933, as amended). The Eligibility Criteria are also set forth below. Walmart’s management is responsible for this assertion, including selection of the Eligibility Criteria and the allocation, during the Reporting Period, of amounts to Eligible Green Investments that meet one or more of the Eligibility Criteria. Walmart worked with an outside consultant with recognized expertise in environmental, social and governance research and analysis to assess the Eligibility Criteria and the alignment of such criteria with the Green Bond Principles at the time of issuance. The outside consultant has made publicly available a second-party opinion in respect of such alignment.

Continued on next page.

Renewable Energy

- Expenditures related to the acquisition or development of new and ongoing renewable energy projects (including supporting infrastructure such as microgrids and energy storage) to reduce emissions and transition away from fossil fuel use for Walmart's facilities, vehicles and supply chain. This includes long-term (typically 10-15 years) power purchase agreements (PPAs) and virtual power purchase agreements (vPPAs) entered into prior to the commercial operation date of the facility. The onsite and offsite renewable projects are limited to those that generate electricity or fuels from renewable sources including: wind, solar and micro-hydro projects of 25 MW or less.

High-Performance Buildings

- Expenditures related to energy efficiency projects and technologies for Walmart's corporate facilities with projected energy savings and other environmental co-benefits. This includes retrofitting and/or whole replacement of energy-consuming equipment (e.g., lighting, refrigeration and air conditioning systems) with more efficient models. Eligible projects will have a projected energy savings of at least 15 percent.
- Expenditures related to energy management systems that are expected to improve energy and environmental performance. This includes energy audits, recommissioning, monitoring and controls and energy storage equipment.
- Expenditures related to greenhouse gas management and reduction projects and technologies for Walmart's corporate facilities and supply chain. This includes refrigerant monitoring and detection equipment, purchase of refrigerants with low-Global Warming Potential (GWP), installation of new low-GWP refrigerant using equipment and the conversion of existing systems to enable them to use low-GWP refrigerants.
- Expenditures related to buildings that have met within the last three years or are expected to meet regionally, nationally or internationally

recognized "green building" standards or certifications such as LEED (gold or higher).

Sustainable Transport

- Expenditures related to clean transportation projects and technologies for Walmart's operations, supply chain or customers, such as electric, hydrogen and hybrid vehicles that emit less than 25 grams of CO₂ per ton-kilometer (gCO₂/t-km) and less than 75 grams of CO₂ per passenger-kilometer (gCO₂/p-km) (using the Worldwide Harmonised Light Vehicles Test Procedure [WLTP]). This also includes any infrastructure related to these vehicle types (e.g., electric vehicle [EV] charging stations).

Zero Waste and Circular Economy

- Expenditures related to waste prevention, waste reduction and waste recycling for Walmart's facilities and supply chain and in the communities where Walmart operates with a minimum projected waste-to-landfill reduction of 15%.
- Expenditures related to supporting a circular economy and closed-loop material flows for Walmart's operations, products, supply chain and customers, such as resource-efficient packaging and distribution.

Water Stewardship

- Expenditures related to projects and technologies that support an efficient and quality water supply for Walmart's facilities and supply chain and in the communities where Walmart operates. This includes water efficiency, water conservation and water quality projects such as upgrading water fixtures and irrigation systems, water monitoring and controls and investment in water harvesting, treatment and recycling infrastructure.

Habitat Restoration & Conservation

- Expenditures related to the preservation, restoration and management of natural landscapes, including the protection of coastal, marine and watershed environments.

Appendix B



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Report of Independent Accountants

To the Management of Walmart Inc.:

We have examined management's assertion, included in Appendix A, that \$1.1 billion of net proceeds from the issuance of 1.800% notes due 2031 issued by Walmart Inc. ("Walmart") were allocated, during the period from February 1, 2020 through January 31, 2022 (the "Reporting Period"), to the expenditures incurred during the period from February 1, 2020 to January 31, 2022 for qualifying Eligible Green Projects (as defined in the "Use of Proceeds" section of the Prospectus Supplement, dated September 8, 2021, to the Prospectus dated December 4, 2020, filed by Walmart with the Securities and Exchange Commission pursuant to Rule 424(b)(2) on September 9, 2021) based on the Eligible Green Investments criteria set forth in the Eligibility Criteria in Appendix A (the "Criteria"). Walmart's management is responsible for the assertion, having a reasonable basis for its assertion, selection of the Criteria and the allocation, during the Reporting Period, of amounts to projects that meet the Eligibility Criteria. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of Walmart Inc. and to meet our other ethical responsibilities, as applicable for examination engagements set forth in the Preface: Applicable to All Members and Part 1 – Members in Public Practice of the Code of Professional Conduct established by the AICPA.

Our examination was not conducted for the purpose of evaluating (i) whether funds in excess of the net proceeds were allocated to Eligible Green Investments during the Reporting Period, (ii) the amount allocated to each category of Eligible Green Investments during the Reporting Period, (iii) the environmental benefits of the Eligible Green Investments, (iv) conformance of any Eligible Green Investments with any third-party published principles, standards or frameworks, such as the Green Bond Principles, dated June 2021, published by the International Capital Market Association or (v) any information included in the Company's report or on the Company's website, other than management's assertion. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in Appendix A.

In our opinion, management's assertion, included in Appendix A, that \$1.1 billion in net proceeds from the issuance of 1.800% notes due 2031 issued by Walmart were allocated during the Reporting Period to qualifying Eligible Green Investments that met the Eligibility Criteria is fairly stated, in all material respects.

September 15, 2022

Ernst & Young LLP