What to look for in our 2008 CSR Report.

**Environment:**
Committed to reducing our overall environmental impact of our operations and products.

**People:**
Committed to being a great place to work.

**Responsible Sourcing:**
Committed to supporting our suppliers, both domestic and international, in acting responsibly.

**Community:**
- **Community Investment**
  Committed to have a positive economic impact on Canadian communities.
- **Community Involvement**
  Committed to make a meaningful difference in the quality of life for Canadians.
About Walmart Canada.

Headquartered in Mississauga, Ontario, Walmart Canada was established in 1994 by acquiring 122 Woolco stores. Today, the company operates more than 300 locations, including traditional discount stores, Supercentres and our new environmental demonstration store in Burlington, Ontario. With more than 82,000 associates, the company has grown to become Canada's third-largest employer.*

At a glance (as of July 2009):

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walmart Discount Stores</td>
<td>254</td>
</tr>
<tr>
<td>Walmart Supercentres</td>
<td>58</td>
</tr>
<tr>
<td>Associates</td>
<td>82,000+</td>
</tr>
</tbody>
</table>

*Note: as of July 2009.

Our mission.
Saving Canadians money so they can live better.

Our beliefs.
Respect for the individual. Service to customers. Strive for excellence.

About Walmart Canada.

People are often surprised to learn that Walmart Canada operates largely as an independent company within the global Walmart organization. While ideas like the Walmart operating philosophy and values come to us from our parent company, most decisions that impact our business and our customers on a daily basis are made in Canada.

Walmart Canada.

- All decisions regarding the merchandise we stock, where we source it and how we price it are made in Canada.
- Our associate policies, wages, benefits plan and bonus plans are unique to Walmart Canada. We also have an independent diversity strategy.
- Walmart Canada has its own community involvement program. Our national programs support the Canadian charities we feel best represent the interests of our customers.
- Newer Canadian Walmart stores incorporate design features that complement the local community landscape. When building new stores, we tender the contract for construction to Canadian contractors.
- The Walmart private label products we stock are unique to Canada.

Wal-Mart Stores, Inc. (global).

- Walmart's defining principles such as Everyday Low Prices, our Three Basic Beliefs, Servant Leadership and our Open Door Policy are common to all Walmart operations.
- Global sourcing is managed centrally by Walmart's Global Procurement Division, based in Bentonville, Arkansas, which audits factories producing merchandise on behalf of Walmart Canada.
- Wal-Mart Stores, Inc. may launch major global initiatives aligning all worldwide operations such as our global commitment to operate more sustainably. However, our specific initiatives to meet our sustainability goals in Canada are largely made-in-Canada solutions.

CSR Task Force

Christine Bomé
Director, Government Affairs
Lina Didiodato
Manager, Community Involvement
Mike Dombrow
Director, E-Commerce
Roland Dreyer
Controller
Toni Fanson
Director, Advertising
Ken Farrell
Vice President, Store Development
Tan Gill
Country Manager, Responsible Sourcing
Kevin Groh
Director, Corporate Affairs
Bob Hakeem
Senior Vice President, People Division
John Lawrence
Director, Corporate Social Responsibility
Erin Mackey
Manager, Community Involvement
Arlene Minott
Manager, Employer of the Community

Susan Muigai
Director, Risk Management
Andrew Pelletier
Vice President, Corporate Affairs
Alex Robertson
Director, Corporate Affairs, Quebec
Ronald Strathdee
Vice President, General Counsel and Secretary
Andrew Telfer
Manager, Sustainability
Jim Thompson
Senior Vice President, Merchandising and Operations
Key Performance Indicators (KPIs)

Environment

Pages 4–7

- To be supplied by 100% renewable energy
- Produce Zero Waste
- To sell products that sustain our resources and the environment
- Greenhouse Gas (GHG) produced in Canada:
  - Direct- Metric Tonnes CO₂ Equivalent
  - Indirect- Metric Tonnes CO₂ Equivalent
  - Total emissions per sq. ft (gross)- Metric Tonnes CO₂ Equivalent
- Total electricity intensity per sq. ft:
- Total waste diversion
- Percentage of waste diversion
- Number of environmentally improved products**

2007 Results 2008 Results
71,289 88,845
189,119 216,674
0.0074 0.0079
19.3 kWh 19.4 kWh
101,720,924 Kgs 123,658,592 Kgs
N/A* 65%
300+ 700+

People

Pages 8–11

- Provide associates with a work experience in which they feel valued, rewarded and empowered to grow.
- Number of associates promoted
- Number of associates who received operational and leadership training
- Percentage of associates who received computer-based training
- Percentage of managers/senior managers who are women

2007 Results 2008 Results
9,400 9,900
1,507 2,383
100% 100%
45.9% 45.6%

Responsible Sourcing

Pages 12–15

- Include social and environmental criteria in our purchasing decisions
- Improve factory conditions
- Contribute to the communities in which we source
- Number of factory audits:
  - Direct Imports by Walmart Canada
  - Domestic Imports (imports by Canadian suppliers)
  - Percentage of unannounced audits
  - Number of factories disapproved
  - Number of suppliers and factory managers attending Ethical Standards training (globally)**

2007 Results 2008 Results
1,077 audits of 735 factories 814 audits of 551 factories
517 audits of 327 factories 492 audits of 346 factories
28% 15%
30 11
10,000 14,297

Community

Community Investment:

Pages 16–19

- Give back to local communities in ways that matter most to our customers and associates
- Number of new jobs created
- Number of new jobs created in construction trades
- Number of Canadian suppliers and service providers
- Payments to Canadian suppliers and service providers
- Percentage of Canadians who believe Walmart is a valuable member of the community††
- Percentage of Canadians who have a favourable opinion of Walmart†

2007 Results 2008 Results
4,961 5,083
3,650 5,000
6,311 6,879
$11.2 billion $13.8 billion
65% N/A
N/A 68%

Community Involvement:

Pages 20–22

- Nurture long-term, mutually rewarding partnerships with local communities
- Total contributions:
  - Raised through fundraising
  - Donated by Walmart Canada

2007 Results 2008 Results
$13 million $14.6 million
$6.9 million** $7.9 million

Stakeholder engagement.

In order to report accurately and relevantly to our stakeholders, Walmart Canada partners with consultants from Canadian Business for Social Responsibility (CBSR). CBSR is a non-profit CSR consultancy and peer-to-peer learning organization. They work with other member companies across Canada to improve their social, environmental and economic performance. In 2007 Walmart Canada initiated a formal stakeholder engagement process, and through an externally facilitated process designed by CBSR, individual stakeholders were identified and invited to participate in panel discussions in Ontario and Quebec. We asked community leaders, non-governmental organizations and others to review and guide content for Walmart Canada’s CSR reporting. The same guiding principles have been applied to this report.

Boundaries of this report.

Published in July 2009, this Corporate Social Responsibility Report discusses the environmental, social and economic impact of Wal-Mart Canada Corp. and the actions taken to meet our corporate social responsibility (CSR) commitments during the company’s fiscal year 2009, February 1, 2008 to January 31, 2009. This report establishes performance metrics that will enable us to assess our CSR progress going forward. Our intent is to share information on issues that are most relevant to our stakeholders, customers, associates, vendors and the communities where we operate. For additional information on sustainability at Wal-Mart Stores, Inc., Wal-Mart Global Sustainability Report www.walmartstores.com/sustainabilityreport

Reporting standard.

In an effort to create a relevant and useful document, Wal-Mart Canada Corp. reviewed various external resources in the creation of this report, including Global Reporting Initiative (GRI) standards, the most widely accepted sustainability reporting framework. GRI standards have been used as a benchmarking tool only. We anticipate that future editions of this report will include more robust metrics.
At Walmart Canada, our goal is to reduce the environmental impact of our operations and products. Our umbrella theme *For the Greener Good* is our strategic framework for the products, initiatives and partnerships associated with our goal of becoming a more sustainable company. Every day we are working to improve and we strive to reach our core goals, which include: To be supplied 100% by renewable energy; To create zero waste; and To sell products that sustain our resources and environment. Here are some of our key accomplishments in 2008:

- 65% waste diversion
- 60% projected energy efficiency of our new Burlington store
- 400+ new environmentally preferable products (sku’s) in our stores since 2007
- 60,000 Personal Sustainability Projects initiated by Walmart Associates
Practising what we preach.

At Walmart Canada’s home office, our goal is to send absolutely no waste to landfill. Sound impossible? Well in 2008 we came pretty close. Our home office has gone from diverting 58 per cent of its waste from landfills to 87 per cent. As you can see from our recycling bin below, we take this goal very seriously.

### Reusable bags:
- In 2008 we sold 2,281,338 reusable bags in Canada
- In 2008 we installed receptacles in our stores where customers can drop off their plastic bags for Walmart to recycle responsibly

### FYI on Diversion (estimates in kg).

<table>
<thead>
<tr>
<th>Category</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCC (Cardboard)*</td>
<td>86,112,532</td>
<td>94,619,578</td>
</tr>
<tr>
<td>Plastics</td>
<td>7,274,956</td>
<td>7,253,956</td>
</tr>
<tr>
<td>Shredded Paper</td>
<td>1,081,102</td>
<td>1,081,102</td>
</tr>
<tr>
<td>Organic Oil and Rendering</td>
<td>506,569</td>
<td>506,569</td>
</tr>
<tr>
<td>Bottles and Cans</td>
<td>202,479</td>
<td>660,644</td>
</tr>
<tr>
<td>Misc. Organics</td>
<td>10,136</td>
<td>9,181</td>
</tr>
<tr>
<td>Oxidizers</td>
<td>52,206</td>
<td>70,921</td>
</tr>
<tr>
<td>Paint</td>
<td>19,795</td>
<td>19,795</td>
</tr>
<tr>
<td>Aerosols</td>
<td>87,786</td>
<td>1,993,724</td>
</tr>
<tr>
<td>Tires</td>
<td></td>
<td>3,245,632</td>
</tr>
<tr>
<td>Motor Oil and Filters</td>
<td></td>
<td>2,962,876</td>
</tr>
<tr>
<td>Batteries and Lead Weights</td>
<td></td>
<td>2,167,140</td>
</tr>
<tr>
<td>Organics</td>
<td>1,020,420</td>
<td>3,411,813</td>
</tr>
<tr>
<td>Photo</td>
<td>143,852</td>
<td>3,380,490</td>
</tr>
<tr>
<td>Other</td>
<td>186,986</td>
<td>1,201,651</td>
</tr>
<tr>
<td>Total*</td>
<td>1,48,232</td>
<td>2,921,234</td>
</tr>
</tbody>
</table>


### Walmart Canada’s audited waste diversion results for 2008:
- 65% Achieved by Walmart Supercentres
- 74% Achieved by Walmart discount stores
- 87% Achieved by Walmart Canada’s home office

### A recycling story.
Poly styrene (commonly called Styrofoam™) takes hundreds of years to break down in landfill. In 2008, Walmart Canada began to encourage suppliers to reduce polystyrene use in packaging and launched an innovative pilot polystyrene recycling program in eight stores. We partnered with Grace Canada to divert our polystyrene waste, which it converts into fire-resistant insulation for commercial buildings.

It’s a win-win situation:
- The environment benefits
- Grace Canada derives an economical and environmental benefit from recycling polystyrene instead of using virgin polystyrene
- Walmart Canada benefits because it is able to divert polystyrene that would otherwise get sent to landfill, resulting in lower operation costs

### Improving on little things can make big differences.
To save paper, we have reduced the size of our business cards by 35 per cent and now print them on recycled paper made from our waste cardboard boxes.

### A natural improvement.
In 2008, Walmart Canada’s home office cafeteria replaced polystyrene take-out containers with compostable containers made from sugar cane and switched to biodegradable cutlery made from corn.
Reducing packaging.

In retail, practising sustainability means paying careful attention to all aspects of product manufacturing and business operations. It is estimated that 92 per cent of our environmental footprint is related to the production of the merchandise we sell (including the packaging). That means just 8 per cent of our footprint is directly generated from Walmart Canada’s business operations. In order to stay on track with our goal of zero waste, we continue to challenge and encourage vendors to make products and packaging that is less environmentally damaging. Of course, we also continue to look at our own operations to eliminate unnecessary packaging. With the support of our vendors, our goal for 2013 is to reduce our packaging by 5 per cent.

Improving laundry packaging.

Walmart Canada now only sells concentrated formulas of liquid laundry detergent. In just three years this concentration initiative will save

- 181.8 million litres of water used in manufacturing
- 4.3 million kilograms of plastic resin used in packaging
- 5.7 million kilograms of cardboard boxes used for shipping
- 236,396 litres of diesel fuel used to ship products

Green power players.

Walmart Canada is one of the country’s largest commercial purchasers of clean, emissions-free electricity. This year, we increased our purchase to include more stores and our home office. Choosing green power is an easy and practical way for us to reduce our environmental impact. Electricity generation is a leading industrial source of carbon dioxide, a primary greenhouse gas linked to climate change, as well as other emissions that contribute to poor air quality. Choosing this carbon-free, renewable electricity is another step toward our goal of being supplied 100 per cent by renewable energy.

700 ways to say For the Greener Good.

If a product is a more environmentally friendly alternative, we want our customers to know. So, our stores now identify products which have been third-party certified as being environmentally preferable with our For the Greener Good shelf signs. That includes clothing made with sustainably harvested fibres, cleaners made with few or no chemicals, recycled paper products, and more. We currently have more than 700 For the Greener Good items (SKU’s) on our shelves, more than twice the number we had last year. We hope this number will grow and we also continue to look at our own operations to eliminate unnecessary packaging. With the support of our vendors, our goal for 2013 is to reduce our packaging by 5 per cent.

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- 236,396 litres of diesel fuel used to ship products

For a comprehensive list, visit ForTheGreenerGood.ca.

Looking at energy in a whole new light.

- Heating and cooling efficiencies: In our new stores, we recover waste heat from our refrigerators to heat the store, white roof membranes save air conditioning by reflecting heat from sunlight, insulation has been thickened by an inch, and we have scaled down the building sizes by about 10 per cent. This means, we are heating, cooling and powering smaller stores, and doing it more responsibly with more efficient equipment.
- Home office: When we switched our 32-watt fluorescent lighting to 25-watt equivalents, we cut the related electricity use by 20 per cent. The change was hardly noticed by home office associates. And, those who did notice actually preferred the change to softer lighting.
- Outdoors: By changing our storefront “Walmart” signs from incandescent to LED bulbs, we cut our related electricity consumption and costs by 90 per cent. Similarly, our new LED jewellery-case lighting uses less energy and cuts the glare for customers.
- Fridges and freezers: Refrigerators and freezers pose a problem. They need to be cold, but well lit. In 2008, we took a big step toward solving that problem. Our new cooler units light up as customers approach and go dark as they leave, based on timed motion detectors. And, when they are lit, small strips of efficient LED lights – unaffected by the cold – provide the brightness required, with less energy use and very little heat.

Lights out.

A year after the 2003 blackout in northeastern North America, Walmart Canada began a new summer tradition, turning out one-third of our store lights to reduce the strain on the power grid. By reducing light levels by one-third, more than 17,000 MWh of electricity was saved. By 2008, three other major retailers had opted to follow Walmart’s lead.

A greener good story.

One of our Canadian suppliers, Korhani of Canada, joined Walmart on the path to operating and producing products more sustainably. Exclusive to Walmart Canada in 2008, Korhani pioneered an eco-friendly line of area rugs. Korhani produces virtually no water waste, recycles 100 per cent of cardboards, and uses sustainable fibres in area rugs. Korhani’s eco-friendly area rugs are 100 per cent recyclable, which means, when these area rugs reach the end of their lifespan, customers can return them to the manufacturer to be recycled into other useful products. Korhani’s manufacturing facility produces virtually no water waste, recycles 100 per cent of production waste and is almost paperless. Like Walmart, Korhani believes the greener the better. To learn more about Korhani rugs, visit www.korhani.com.
Welcome to Walmart Canada’s new environmental demonstration store.

Walmart Canada’s experimental green store in Burlington, Ontario, is a living lab where we are testing environmentally friendly technologies in a real-world setting. Here’s a look at it inside and out.

Our modelling indicates that our new demonstration store is approximately 60 per cent more energy efficient when compared to our stores built in 2005.

- 140 per cent reduction in carbon emissions annually
- Working toward 85 per cent waste diversion from landfills

Environmnetally friendly construction

- The central core of the store is powered 100 per cent by renewable energy from Bullfrog Power™. 75 per cent of construction waste was diverted from landfill, and materials were locally sourced, recycled, and zero-VOC where possible.

Heat deflecting white roof

- A white roof deflects approximately 80 per cent of daylight reaching interior air conditioning needs in summer and lines of a stream on the provincial power grid.

Sophisticated daylight harvesting system

- Through a network of lights, the store is 90 per cent natural. As the natural lighting changes through the day and evening, sensors raise, dim or turn off traditional bulbs.

Low emission ge-exchange technology

- This is the first large-scale retail building in Canada to use ge-exchange technology. With a network of 10 kilometres of piping, the system transfers heat and cold to and from the store and the earth as needed.

A lot less waste

- Just inside the front door, a customer recycling centre invites customers to responsibly dispose of plastic bags, CFL bulbs, printer cartridges and more. Just inside the back door of the store, the store’s associates can recycle more than 15 waste streams including cardboard, plastics, polyethylene, motor oil and more. This means that – with the help of our associates and customers – the store can keep at least 60 per cent of its waste out of landfill.

Concrete floors

- Instead of using carpet or tiles, the store’s concrete floors reduce the amount of materials required, and the need for flooring adhesives and harsh cleaning chemicals.

Electricity saving outdoor lights

- Low-energy floodlights reduce energy consumption without compromising visibility while external signs are powered by emergency saving LED bulbs.

Low flow sinks, toilets and urinals

- Water conservation is achieved via efficient low flow washroom facilities.

Increased roof insulation

- Thicker, more efficient roof increases approximately 80 per cent of insulation in summer and lines of a stream on the provincial power grid.

Hundreds of environmentally preferable products on the shelves

- The store stocks over 700 environmentally preferable products (sku’s) including organic clothing, energy efficient appliances, ethically sourced foods, biodegradable cleaning products and more.

Networkin toward improvement.

Listening to what others have to say and improving our knowledge and skills is an important part of our sustainability progress. To meet our sustainability practices and goals, teams of people including Walmart representatives and outside partners establish and drive our sustainability efforts. We call these teams our Sustainability Value Networks (SVNs). We established SVNs to assess, identify and measure opportunities for sustainability in all areas of our business.

SVNs in action.

The Logistics Scorecard, developed by the Walmart Canada Supply Chain SVN, asked our transportation vendors to submit a detailed assessment of their sustainable performance in five key areas:

- Equipment – e.g., use of sustainable alternatives like speed governors, low-resistance tires, alternate power units (APUs), anti-idling devices, etc.
- Operations – e.g., enforcement of programs for recycling, driver training, vehicle idling, parts recycling, etc.
- Buildings – e.g., responsibility energy and waste programs like recycling, motion sensor lighting, renewable energy, green procurement, etc.
- Core values – e.g., corporate commitments throughout the business to associate engagement, sustainability, vision, innovation, etc.
- Data – e.g., accurate record keeping and transparency for kilometres travelled, energy use tracking, fuel efficiency, etc.

By completing and submitting the scorecard, these vendors are helping Walmart begin to measure and quantify the sustainable practices of our entire supply chain.

Looking to improve every year… Our goals for 2009 and beyond:

1. To create zero waste:
   - Divert 80% of our company waste from landfill by 2014
   - Divert 95% of our home office waste from landfill by the end of 2009
   - Reduce packaging by 5% by 2013
   - Reduce plastic shopping bag waste by 50% by 2013
   - Currently developing organic waste recycling program for Supercentres

2. To be 100% supplied by renewable energy:
   - Build stores which will be at least 30% more energy efficient than a comparable type in 2005
   - Reduce existing Walmart stores to attain 20% energy efficiency when compared to our same type 2005 baseline stores
   - Supply chain to be 15% more efficient by 2012 (2007 baseline)
   - Reduce our GHG footprint by 20% by 2013
   - Consider solar and wind energy as alternate power sources

3. To sell products that sustain our resources and environment:
   - Encourage vendor partners who manufacture and sell environmentally friendly products to seek certification from unbiased, third-party organizations
   - Eliminate all phosphates from dish and laundry detergents sold by 2011
   - Begin to develop a sustainable seafood procurement policy in 2009

Green thumbs up!

“As I said at the opening of the new green demonstration store in Burlington on January 21st, Walmart continues to show its commitment to energy efficiency, renewable energy and environmental sustainability. Environmentally friendly retail outlets like this one prove that conservation and comfort can be combined for the benefit of shoppers and employees.”

Peter Love
Chief Energy Conservation Officer
Conservation Bureau, Walmart Power Authority

www.forthegreenergood.ca
At Walmart Canada, people are our business. That fact underlines the importance of our number-one core belief: Respect for the Individual. In order to truly carry this through we need to not only provide our associates with a safe and healthy work environment but also provide them with a work experience in which they feel valued, rewarded and empowered to grow. It’s the only way to ensure we become Canada’s favourite place to work. Here are some of our key accomplishments in 2008:

- 82,000+ associates from coast to coast
- 9,900 associates promoted
- 2,383 associates received operational and leadership training
- 100% of associates received computer-based training
- 45.6% of managers and senior managers are women
Making a great place to work even better.

At Walmart we believe people are our most valuable resource. Our priority is to treat our associates according to our core basic beliefs: Respect for the Individual, Service to our Customers and Strive for Excellence. By providing an inclusive work environment, training and education programs, and career opportunities, we are committed to supporting our associates to feel valued, rewarded, and empowered. We’re searching for new ways to be more supportive of work-life effectiveness, offer career development opportunities as well as benefits and recognition. We are always working toward becoming Canada’s favourite place to work.

Hiring for attitude and training for skill.

Once associates are hired as part of the Walmart community, our job is to ensure they are successful in their role and to empower them to reach their goals. We provide them with learning opportunities geared to build and enhance their skills. Walmart Canada offers a spectrum of in-house training programs related to topics such as leadership, field operations, customer service, negotiations, diversity, pay, professional development and more. In many cases new training programs are initiated to equip our associates to fulfill their personal potential and create opportunities for their advancement. A good example of this is Best Host Enhanced Communications for Enhanced Customer Service. This course helps associates develop communication and language skills, taught in real-world scenarios, designed to provide the confidence required to address customer enquiries and concerns. The initial program was a success and has continued in 2009.

FYI on Benefits.

When our associates succeed, so does our business. We continue to strive to find new opportunities for our associates to grow. Through better job and career opportunities, innovative reward programs and personal benefits and support services, our associates can live better at work and home.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Full-Time Associates</th>
<th>Part-Time Associates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Wages</td>
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<td></td>
</tr>
<tr>
<td>Associate Discount (10%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate Stock-Ownership Plan</td>
<td></td>
<td></td>
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<tr>
<td>“Shining Star” Recognition</td>
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<td></td>
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<tr>
<td>Deferred Profit-Sharing Plan (100% funded by Walmart)</td>
<td></td>
<td></td>
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<tr>
<td>Stakeholder Program (bonus based on store performance)</td>
<td></td>
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<tr>
<td>Group RRSP</td>
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<tr>
<td>Medical Coverage</td>
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<tr>
<td>Dental Insurance</td>
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<tr>
<td>Life Insurance</td>
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<tr>
<td>Accidental Death &amp; Dismemberment Insurance</td>
<td></td>
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<tr>
<td>Long-Term Disability Coverage</td>
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<tr>
<td>Resources for Living (professional life counselling service)</td>
<td></td>
<td></td>
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<tr>
<td>Personal Time (paid absence)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illness Protection Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaves of Absence (including medical, personal and educational)</td>
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<td></td>
</tr>
<tr>
<td>Bereavement Leave</td>
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<td></td>
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<tr>
<td>Career Advancement Opportunities</td>
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<td></td>
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<tr>
<td>Scholarship Programs</td>
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<td></td>
</tr>
<tr>
<td>Education Reimbursement</td>
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<td></td>
</tr>
</tbody>
</table>

Associates rewarding associates.

We know recognition is essential for a healthy work environment. Identifying and celebrating an individual’s work stimulates a supportive and positive work culture. Our Shining Star Program is a good example of our company’s culture of recognition in action. The program gives associates the chance to nominate fellow associates who best demonstrate Walmart’s core values: Respect for the Individual, Service to our Customers and Strive for Excellence. Every year, each store nominates the best “star” regionally for company-wide recognition. Every Regional Shining Star and the company’s sole Shining Star are given $1,000 and $5,000, respectively, to their charity of choice. In 2008, more than 65,000 Shining Stars were nominated.
Improvement through training.

Stores of Learning

As part of their learning, newly hired or promoted assistant store managers attend intensive training modules in special classrooms built in Walmart Canada stores. Training modules teach participants a range of leadership, merchandising, and operational standards and skills in the areas of general merchandise and fresh food. Many of these core field training modules are offered on a regular schedule 12 months of the year.

Learning at Walmart

Walmart Canada has a dedicated team of knowledgeable and trained facilitators located in regional Store of Learning facilities. Associates at various experience levels get relevant and necessary training on specific store tasks, customer and associate safety, management, and leadership. Instructor-led learning is also offered to our home office associates in dedicated training rooms, reaching over 2,500 home office participants in more than 300 individual classes in 2008. Suppliers of Walmart Canada often attend training on systems and reports that will help them maximize their business and build partnerships with Walmart buyers. In 2008, 87 individual classes were offered to Walmart vendors.

Valuing associate opinions.

Walmart associates have a strong voice at work. Beyond our Open Door Policy, throughout the year associates participate in grassroots meetings where they bring forward questions, ideas and concerns to their management team for discussion. In addition, “Tell Dave” is a program that encourages associates to submit their ideas to our president. Every year, we conduct our Annual Associate Opinion Survey. This survey provides every associate a chance to voice their ideas, opinions, and concerns. On a national level, the results provide valuable feedback for general associate satisfaction, new direction for corporate programs, and they help identify areas that need improvement. On a local level, each store provides feedback according to its store environment. Once the survey results are in, store managers and associates hold an open forum to discuss the results and brainstorm for new ideas and initiatives for the year ahead.

Diversity is important.

We are committed to being an “employer of the community” and to hiring individuals who reflect the local community. Our Diversity Council and Employer of the Community Working Group are committed to identifying and removing barriers that keep individuals from contributing to the best of their abilities.

Here are a few examples of our diversity initiatives:

- An online multicultural calendar highlighting and explaining significant days for religions and cultures.
- Ongoing diversity training programs for all of our associates.

Our Walmart associates speak more than 72 different languages. To make the most of this language diversity, we encourage our multilingual associates to wear a language button that shows customers the extra level of assistance that is available to them. The multilingual buttons are also a way to celebrate the uniqueness of our associates.

Walmart scholarships.

Canadian students heading to college or university are invited to apply for one of three Walmart scholarship opportunities. Two are available to associates and their families and one is available to all other high school graduating students in Canada. In 2008 we awarded 81 scholarships, selecting winners based on academic achievement, community involvement, extracurricular activities and financial need. In the past 14 years, Walmart Canada has sponsored nearly 800 university and college scholarships, totalling more than $1.1 million.

Empowering our associates.

“Joining Walmart was without a doubt the best career move I could have made. Our culture keeps us focused, motivated and on track to meet our goals and objectives.”

Shaun Doo, Merchandise Assistant, Produce

Striving to stay award winning.

For the second year in a row, Walmart Canada won the Best Employers Award for 50-plus Canadians from the Workplace Institute. The Retail Council of Canada also recognized Walmart with the 2008 Excellence in Retailing Award for retail employee training.

FYI on Associates.

82,000+ associates from coast to coast
9,900 associates promoted in 2008
489 graduates from the Stores of Learning program
(67% were hourly associates)
45.6% of managers and senior managers are women
peopler

Open Door Policy.
Keeping the lines of communication open with our associates is critical. Their valuable feedback helps grow and improve our business. Our Open Door Policy encourages associates to voice concerns and share ideas with any of their managers or other members of their management team. Our Open Door extends around the world with a toll-free global ethics hotline. This 24-hour anonymous line allows our associates and the associates of our suppliers to report any violation of ethics. Leaving the door open gives us a better understanding of the needs, concerns and challenges our associates, suppliers and customers face every day. In turn we can respond in a way that addresses their needs and further reinforces a positive workforce.

Above the norm for women in senior management.
According to the Canadian average, we are above the norm. In 2008, 19 per cent of senior managers in the Canadian workforce were women. While at Walmart Canada 26 per cent were senior managers, a significant increase from 15 per cent in 2005.

Promoting to live better.
Promoting from within is, without a doubt, the most effective way to maintain our distinct culture and empower our associates. In 2008, over 9,900 associates were promoted.

Valuing our associates.
“Since I’ve been at Walmart 3059, I can’t imagine my life without my extended family. As I walk into the store to begin my shift, everyone I pass says, “Hello John, how are you today?” It’s great to see their smiling faces and know that I am appreciated and needed. Walmart is my choice of employer because of all that and more. Everyone here from the district manager to the cashiers to the stockmen treats me as an equal and I very much appreciate it.”
John Parrott, Greeter, Store 3059, Nanaimo, BC

“What is good for women is good for business” – Wal-Mart Canada Corp.
Whether you look at the people we serve or the people we employ, women are an extremely important part of our business. They represent 80 per cent of household purchasing decisions and 68 per cent of our associate team nationwide. We often say “What is good for women is good for our business!” That is why we have launched a program called Women in Leadership (WIL) designed to address key issues and spearhead change to improve circumstances for women in our stores and business. The WIL, as well as smaller working groups like our Strategic Solutions Executive Working Group, are working with our People division to investigate opportunities like flexible work arrangements that will benefit all associates, but are particularly meaningful for our female associates. Some other women in leadership projects include:

Women in Leadership Program
The program offers ongoing WIL luncheons to spearhead women’s issues and activities at Walmart Canada. It also acts as an advisory group to a Strategic Solutions Executive Working Group.

Women on the Move
Women on the Move is an educational program offered by Walmart International in partnership with Florida International University. High potential women leaders from Walmart Canada were nominated to attend in 2008.

Connect Quarterly Breakfast
The Connect Quarterly Breakfast is an opportunity for Women in Leadership Council members to invite mentees and external guests to an informal networking and information sessions.

Flexible improvements in 2008.
Maternity leave top-up: We provide a maternity leave top-up to ensure our female associates receive six weeks of full pay.

Improving employee longevity: Our Progressive Retirement Initiative is designed to encourage associates to stay with the company (and put in fewer hours or change roles) instead of seeking part-time jobs elsewhere. In 2008, more than 21,000 “over 50” associates made up our Walmart community.

Looking to improve every year... Our goals for 2009 and beyond:

- Increase female representation in senior management from 25% to 37%
- Create a partnership with post secondary institutions which will provide students the opportunity to build a career at Walmart while earning a university degree
- Continue to provide Canadians with opportunities for employment by hiring an additional 6,000 associates in 2009

Associate satisfaction and unions.
Walmart Canada believes in providing associates with a work environment that is based on respect, dignity and a true partnership in the business. We foster an environment that welcomes the identification of challenges or problems and a mutual resolution of those challenges. As a company, we value our associates’ right to communicate any and all concerns they have directly to their supervisor, who must work to a fair and proper resolution quickly. Our culture of open communication is important to meeting our associates’ needs. The key to preserving the climate in which we conduct our business is to always uphold the beliefs upon which Walmart was founded. Walmart Canada supports and respects our associates’ right to exercise freedom of association, including the decision to join or not to join a union. Associates have the legal right to make such choices, free from intimidation, coercion or undue influence from anyone.
At Walmart Canada, responsible sourcing is serious business. It is about supporting our suppliers and their factories to promote a higher quality of life for their workers and their families. It means manufacturing merchandise that meets our standards for quality and safety, and operating in an environmentally responsible way. To source responsibly every day, our objective is that all purchasing decisions meet social standards and environmental criteria. We are also continually striving to improve factory conditions, exercise supplier development and find new ways to contribute to the communities in which we source. Here are some of our key accomplishments in 2008:

- 814 audits in 551 factories for direct imports by Walmart Canada
- 492 audits in 346 factories for domestic imports by Canadian suppliers

Globally:
- 11,502 audits conducted in 7,237 supplier factories
- 5,098 factories produced merchandise for direct imports
- 2,139 factories produced domestically sourced merchandise
- 1,094 audits conducted by the International Council of Toy Industries and International Labour Organizations
**Standards on sourcing.**

As a major retailer, it is imperative for us to ascertain that the merchandise we sell is sourced and made ethically and responsibly. Walmart Canada does not own or operate the factories that produce merchandise for our stores. We rely on a rigorous auditing system to monitor that our suppliers and their factories are operating in a way that is consistent with our values and the values of our customers. Our expectations regarding factory operations, working conditions, labour practices and environmental standards are stated in the Walmart Standards for Suppliers, to which suppliers producing merchandise for Walmart Canada must comply. To learn more, visit www.walmartstores.com/sustainabilityreport.

**A year of raising the standard and auditing the audits.**

This year we vigilantly reviewed the fundamental expectations that we have for our suppliers. We are in the process of refining our standards to make them simpler and stronger. By 2010, one of the many changes will include the incorporation of the Global Social Compliance Program (GSCP) “Reference code.” This code will establish a common set of global standards for factory audits. It will enable Walmart and other retailers to rely on third-party audits of factories which may supply multiple retailers around the world – without having to duplicate audits for every company (reducing audit fatigue). Additionally, the revised standards will condense the work requirements into one easily understood standard. The new standard states that all labour must be voluntary, child, forced, bonded, prison and indentured labour will not be tolerated. We will also look at steps to further strengthen and enforce supplier compliance with social and environmental standards. For example, through our supplier agreement, we will require all direct import and private label suppliers to declare and demonstrate their factory’s compliance with laws and regulations in the communities where they operate.

**Uzbekistan cotton industry.**

In 2007, Walmart became aware of allegations that school children were being forced to work in cotton fields in Uzbekistan. Our team immediately began researching the allegations and commissioned a third-party study of the Uzbek cotton industry. The findings of the study led to the creation of a coalition of concerned retailers, brands and trade associations to address the issue. As we learned more, the coalition was broadened to include non-governmental organizations (NGOs), socially responsible investment groups, international aid organizations and various U.S. government agencies. Working with our coalition partners, we spearheaded a letter writing campaign condemning these actions. This campaign was designed to encourage the President of Uzbekistan, the U.S. Secretary of State, the Secretary-General of the International Labour Organization and the other foreign trade associations to take action and put a stop to the use of forced child labour. On September 30, 2008, after an attempt to meet with the Uzbek government was cancelled, we instructed Walmart and other retailers to rely on third-party audits of factories which may supply multiple retailers around the world – without having to duplicate audits for every company (reducing audit fatigue). Additionally, the revised standards will condense the work requirements into one easily understood standard. The new standard states that all labour must be voluntary, child, forced, bonded, prison and indentured labour will not be tolerated. We will also look at steps to further strengthen and enforce supplier compliance with social and environmental standards. For example, through our supplier agreement, we will require all direct import and private label suppliers to declare and demonstrate their factory’s compliance with laws and regulations in the communities where they operate.

**Beijing Summit, October 2008**

Mike Duke

President and CEO, Wal-Mart Stores, Inc.

Sustainability Summit, Beijing, October 22, 2008

On October 22, 2008, Walmart convened at a major summit in Beijing, China, where our president and CEO, Mike Duke, told an audience of more than 1,000 Walmart suppliers and other retailers/brands, “It’s time to move forward with building a more socially and environmentally responsible supply chain. We are expecting more of ourselves at Walmart and expecting more of our suppliers.” With that, Walmart underlined its thorough expectation that business partners meet strict social and environmental standards, remain open to rigorous audits and publicly disclose all relevant information to prove compliance. If a factory does not meet our requirements, they will be expected to put forth detailed corrective plans – or they will be banned from Walmart’s business. We simply do not want to do business with any company that is unethical about overtime or the age of its workers, that dumps its waste into the environment, or doesn’t pay taxes or honour local laws.

**Factory Five Program.**

In the Factory Five Program (launched in 2006), factories are chosen from each of the regions where we source our merchandise. Each month, the suppliers and their factories meet with the local Walmart Ethical Standards team. The program gives participants an opportunity to learn from each other as we work together to develop sustainable solutions to critical, collective areas of concern. Our own learning will culminate in best practices that will be shared with other Walmart suppliers and other retailers/brands. Moving forward, we will foster stronger and broader collaboration among our suppliers, stakeholders and partners, including the Global Social Compliance Program, Multi-Fiber Arrangement (MFA) Forum and International Labour Organization (ILO) Better Work program, to expand our efforts in supplier development and factory improvements.

**Improving our reputation.**

According to the 2008 Covalence Retail Industry Report* (a report that tracks ethical reputation of multinationals), Walmart has jumped from last place in 2007 to third rank. The report is based on 27 companies in the retail industry. Walmart has shown the best progress over the last year.

*Covalence tracks the ethical reputation of multinationals by sourcing online information. The EthicalQuote is part of Covalence Ethical Ranking. The ranking combines the EthicalQuote (measure of popularity) and the scores calculated in each criteria group (measure of diversified performance).
A highlight of Wal-Mart Stores, Inc. Standards for Suppliers

Walmart requires its suppliers, and their contractors, to meet the following standards, and reserves the right to make periodic, unannounced inspections of suppliers’ facilities and the facilities of suppliers’ contractors to ensure suppliers’ compliance with these standards:

Compliance with Applicable Laws and Practices
Suppliers shall comply with all local and national laws and regulations of the jurisdictions in which the suppliers are doing business as well as the practices of their industry.

Walmart expects its suppliers to comply with the following conditions of employment:

Compensation
Suppliers shall fairly compensate their employees by providing wages and benefits which are in compliance with the local and national laws and regulations of the jurisdictions in which the suppliers are doing business.

Hours of Labour
Suppliers must ensure that working hours are consistent with local regulations and are not excessive. Where the country’s laws and regulations do not address standard working hours, suppliers must ensure that the work week does not exceed 60 hours. Suppliers must provide workers rest days (at least one day off for every seven day period) and leave privileges.

Forced/Prison Labour
Forced or prison labour will not be tolerated by Walmart.

Child Labour
Walmart will not tolerate the use of child labour. Walmart will not accept products from suppliers or subcontractors who use child labour. No person shall be employed at an age younger than the legal minimum age for working in any specific jurisdiction. In no case shall suppliers or their subcontractors employ workers less than 14 years of age.

Discrimination /Rights
All conditions of employment must be based on an individual’s ability to do the job, not on the basis of personal characteristics or beliefs. Walmart favours suppliers who do not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, disability, and other similar factors.

Freedom of Association and Collective Bargaining
Suppliers will respect the rights of employees regarding their decision of whether to associate or not to associate with any group, as long as such groups are legal in their own country. Suppliers must not interfere with, obstruct or prevent such legitimate activities.

Immigration Law and Compliance
Only workers with a legal right to work will be employed or used by a supplier.

Workplace Environment
Factories producing merchandise to be sold by Walmart shall provide adequate medical facilities and ensure that all production and manufacturing processes are carried out in conditions that have proper and adequate considerations for the health and safety of those involved.

Security
Suppliers will maintain adequate security at all production and warehousing facilities and implement supply chain security procedures designed to prevent the introduction of non-manifested cargo into outbound shipments (e.g. drugs, explosives, bio-hazards and/or other contraband).

Concern for the Environment
We encourage suppliers to reduce excess packaging and to use recycled and nontoxic materials.

Right of Inspection
Walmart or a third party designated by Walmart will take certain actions, such as inspection of production facilities, to implement and monitor these standards.

Confidentiality
Suppliers shall not disclose to others and will not use for its own purposes or the purpose of others any trade secrets, confidential information, knowledge, designs, data, skill, or any other information considered by Walmart as confidential.

Contributing to our communities.

Contributing to communities where we source
In 2005, Walmart launched the International Development Program in partnership with the Walmart Foundation, which funds local non-governmental organizations (NGOs) and helps them operate schools, health clinics and training centres in communities. This program was developed and is maintained to address the specific needs of factory workers and their families. The program now supports six projects, with operations in 14 countries – Chile, China, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, India, Kenya, Lesotho, Mexico, Nicaragua and Peru. Our projects align with, and are guided by, the United Nations Millennium Development Goals focusing specifically on empowerment of women, education, and HIV/AIDS education. Projects we are currently funding include:

Hope Worldwide Industrial Centres of Hope – Kenya
In Kenya, Hope Worldwide has established an impressive set of support programs, such as Kids Clubs for the children of factory workers, HIV/AIDS seminars in factories and entrepreneurial training for workers. To date, more than 3,000 children have been enrolled in the clubs, more than 100 community teachers have been trained in student support and more than 500 workers have received entrepreneurial or vocational training.

Hope Worldwide Industrial Centres of Hope – India
Hope Worldwide in India focuses on education and training for both children and young adults. Five centres have been established in communities with factories. To date, more than 2,900 children have participated in programs teaching computer literacy and basic education, and more than 1,300 have received vocational and language training.

The Continuous Improvement in the Central American Workplace project – Central America
The Continuous Improvement in the Central American Workplace (CIMCAW) project brings together a diverse group of stakeholders to form a multi-sector alliance working to improve standards compliance in the textile and garment sector in Guatemala, El Salvador, Honduras, Nicaragua and the Dominican Republic. CIMCAW aims to help the sector respond to increasing market demand for products made in ethical conditions; confront the challenges that have emerged after the adoption of the Multi-Fiber Arrangement; and take advantage of opportunities created by new trade agreements, such as the Dominican Republic Central American Free Trade Agreement (DR-CAFTA). To date, the project has helped 23,836 workers receive education on national labour standards, labour legislation, gender issues, and dispute resolution; and it has increased communication effectiveness between management and workers as well as the establishment of incentive programs.

Apparel Lesotho Alliance to Fight AIDS
HIV/AIDS Education and Treatment – Lesotho
Lesotho's textile and apparel industry is supported by 46,000 workers – most of whom are women and nearly one-third of whom are HIV-positive. In 2007, the Apparel Lesotho Alliance to Fight AIDS (ALAFPA) approached Walmart about helping the organization strengthen and continue its mission of providing HIV and AIDS prevention and treatment for these workers – an especially important charge in a country where roughly 40 per cent of citizens are HIV positive. With 43 per cent of the apparel workers in Lesotho being HIV positive, and the fact that ALAFPA had such a deep and impactful presence in the apparel industry in the country, it was crucial for us to get involved. Walmart made a three-year grant to support ALAFPA, which funds an HIV/AIDS workplace program, education and prevention, voluntary testing and counselling and disease management services in factories. We are proud to partner with ALAFPA because, as an organization, it is somewhat unique in its intense focus on factory workers and on women, who are often at greater risk of contracting the HIV virus. Also, its reach across the retail and apparel industries, encompassing a number of global brands, allows it to make a profound and meaningful difference in the lives of these workers. Today, more than 38,000 textile industry employees (66 per cent of the total textile workforce in Lesotho) have access to ALAFPA’s prevention services, and 27,000 workers have taken advantage of the care and treatment component of the program.

The Asia Foundation Migrant Worker Scholarships – China
The International Development Program supports the Asia Foundation in its efforts to improve the lives of migrant workers in China. Through this work, hundreds of women in the coming years will receive scholarships for education and training in fields such as logistics, accounting, office management and English as a Second Language.

The Mobility International USA LEAP Employment Strategies – Central and South America
Mobility International USA (MIUSA) operates exchange programs with Walmart funding that aim to increase employment opportunities for people with disabilities called I-LEAP (International Leadership, Employment and Disability). Through these programs, participants are immersed in the training series “Employment Strategies: Building Disability Leadership Skills” and learn about legal rights, workplace advancement and social networking.

Walmart Canada’s responsible sourcing.

Walmart Canada imports merchandise directly from overseas suppliers and from Canadian manufacturers and importers. Direct import items are audited by Walmart associates and all domestic imports (including our private label brands in apparel, shoes, accessories, pharmacy, health and beauty and general merchandise) are audited by third-party audit firms, contracted through Walmart.
### Factory ratings:

<table>
<thead>
<tr>
<th>Audit Rating</th>
<th>Violation Level</th>
<th>Violation Example</th>
<th>Audit Schedule</th>
<th>Resulting Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td>None to low-risk</td>
<td>Sewing machine with a missing pulley guard found</td>
<td>Re-audited after two years</td>
<td>Recommendations for correction are made and discussed with factory management</td>
</tr>
<tr>
<td>Yellow</td>
<td>Medium-risk</td>
<td>No pay slips for workers</td>
<td>Re-audited after 180 days</td>
<td>Recommendations for correction are made and discussed with factory management</td>
</tr>
<tr>
<td>Orange</td>
<td>High-risk</td>
<td>Failure to pay a legally required overtime premium</td>
<td>Re-audited after 120 days</td>
<td>Four orange ratings within two years result in a factory being disapproved for producing merchandise for sale by Walmart for one year; factory only reinstated after one year with green or yellow rating</td>
</tr>
</tbody>
</table>

### Auditing and factory rating system.

Our auditing process ensures the products we sell are sourced responsibly. Following the completion of the factory audits, a colour-coded system is used to assess the findings. The above presents examples of the violations that lead to different assessment colours and the actions taken as a result of the findings.

### Chile: Reaching better ratings.

One example of a strong ratings improvement in 2008 occurred with our Chilean suppliers and their fresh fruit packhouses. After a 2007 audit, suppliers recognized the packhouse ratings were not ideal. Several areas were identified to be non-compliant with our Standards for Suppliers and needed to be addressed. The areas of concern included the rapidly shifting harvest season from north to south; imbalanced seasonal work hours; a high turnover rate of migrant workers, inconsistent payment employee records, improper hiring procedures, an unclear waging system, and limited communication between suppliers and their packhouses due to the relatively short period of packhouse operations. As a result, we helped our suppliers take action. During their low season, they initiated 30 different training programs in over 150 of their packhouses. The training programs revolved around their problem areas which had been rated high- or medium-risk. They were geared to educate the suppliers in advance of and during the growing season on communicating ethical standards expectations more effectively. Although these training sessions between factory owners and employees were at times intense, the factory owners and employees were at times intense, the training resulted in improvements in their factories and the other was providing them with the right tools to help them resolve audit findings. It wasn't allowing us to effectively assist our supplier partners in two ways. One was showing them how they could implement any improvements in their factories and the other was providing them with the right tools to help them resolve audit findings. It was time to re-evaluate our process and shift our focus to supplier development.

### Factory improvement.

Moving in a new direction

So far, our ethical standards program has focused on evaluating and recording factory performance through our auditing process. Although this approach lets us observe and measure the performance of our suppliers’ factories, we realized that it didn’t allow us to effectively assist our supplier partners in two ways: One was showing them how they could implement any improvements in their factories; the other was providing them with the right tools to help them resolve audit findings. It was time to re-evaluate our process and shift our focus to supplier development.

### Improving audits

In 2009, our ethical standards program will transition the majority of our field auditing responsibility from Walmart associates to third-party service providers. The move to third-party auditing allows us to fulfill two goals. Our first goal is to expand our focus on supplier development and the second is to use these third parties to manage the many thousands of incremental audits we will require each year.

### Supplier Development Program to improve factory conditions

Through our Supplier Development Program, we are using collaborative techniques to help our suppliers develop the skills they need to monitor and manage the factories they use. The program is designed to go beyond just auditing and give our supplier partners both an understanding of how ethical standard violations develop and the capacity to proactively resolve those issues in our factories. This program will help us meet our goal of having all of our direct suppliers sourcing 95% per cent of their production from factories receiving Walmart’s highest ethical standards ratings by 2012. An example of a Supplier Development Program is our Factory Five Program.

### Looking to improve every year... Our goals for 2009 and beyond:

- Extend the current audit system to food suppliers
- 100% registration and auditing for all direct import merchandise
- 100% registration of private label and non-branded domestic merchandise
- 90% direct import production shipped from green/yellow factories

Walmart Canada CSR Report
At Walmart Canada, we want to create and nurture long-term, mutually rewarding partnerships with local communities. That means investing, hiring, operating and contributing locally to help Canadian communities remain healthy both economically and socially. We continue to strive for positive impact. Here are some of our key accomplishments in 2008:

- **5,083** new jobs created
- **5,000** jobs created for workers in the construction trades
- **6,879** Canadian suppliers and service providers
- **$13.8 billion** paid to Canadian suppliers and service providers
Economic investment, even in the tough times.

In 2008, even as the economy was heading into a recession, Walmart Canada was continuing to invest hundreds of millions of dollars in building and renovating stores and creating thousands of jobs in the process. When building or renovating stores, we tender contracts for construction to Canadian contractors creating an average of 200 trade and construction jobs per store. Walmart continues to be a major contributor to the Canadian economy, and we remain a growth business.

Canada’s Walmart.

- Walmart is Canada’s 22nd largest company by revenue
- Walmart is Canada’s 3rd largest employer
- New stores have created 100,000+ in-store and construction jobs since 1994
- More than 1 million Canadians shop at Walmart every day

Rolling back to help.

One very important way that Walmart Canada provides economic opportunities for communities is by helping people save on everyday necessities. In 2008 we introduced more price reductions than any prior year, with 20 per cent more Rollbacks than 2007. Those Rollbacks included everyday staples like shampoo and conditioner, laundry detergent, and pharmaceuticals. As economic times got tougher throughout 2008, we rolled back the price of the most basic staple groceries – bread, milk, eggs and butter – in our Ontario Supercentres. All of these items were essential groceries purchased by Canadian households on a regular basis. These Rollbacks were well received and helped Canadian families save even more. They also encouraged other retailers to lower their prices too.

Saving communities money every day.

Since 1994, Walmart Canada has committed to bringing the best possible prices to our customers. The economic concerns of the past year only underlined the importance of this commitment. We believe that saving money on everyday essentials means that Canadians will have more savings to use however they choose.

Hiring locally.

It is often said that Walmart may be one of the most diverse companies in Canada. The reason is simple: when we open a store locally we hire locally, providing jobs to people in diverse communities coast-to-coast. The roles we provide are almost as diverse as the people who fill them. They include part-time and full-time positions in sales, customer service and inventory control, professional positions such as pharmacists and opticians, and a variety of technical and managerial roles including buyers, merchandisers, HR professionals, and loss prevention and risk management workers. Walmart Canada’s job opportunities represent meaningful employment for the hundreds of people we hire with each new store. It is also the best way to reflect the communities we serve. For example, when we opened our Walmart Supercentre in Westbank, British Columbia, we hired 35 per cent of our associates from the local First Nations reserve. In turn, our associates encouraged our financial support for a home for Aboriginal seniors. Our new Walmart store became the community’s Walmart.

FYI on Canadian opinions of Walmart.

- 68% have a favourable opinion of Walmart
- 57% are glad Walmart is in their community
- 65% believe Walmart is a valuable member of the community
- 60% believe Walmart is a good employer
- 64% agree Walmart offers good jobs in the community
- 81% agree Walmart offers lowest prices
- 65% believe Walmart helps them save money and live better
- 50% aware Walmart supports local charities
- 46% agree Walmart is environmentally responsible

Source: Voter Consumer Research, March 2008
October 24, 2008.

One shopkeeper's story, reported in the Globe and Mail, October 24, 2008.

A shopkeeper had reason to be anxious when Walmart set up shop in Otokoks, Alberta. Within a year of the Walmart opening at the other end of town, sales at her home decor store dropped almost 10 per cent. But the shopkeeper responded in entrepreneurial fashion. She stopped selling products in her store that were also carried at Walmart such as picture frames and candles. Instead, she returned to her roots of custom window coverings and one-of-a-kind sofas and chairs. Sales at her shop recovered, and have since doubled.

The Walmart effect.

Over the years, many independent studies in Canada and the United States have examined the Walmart effect. Many conclude that contrary to expectations, Walmart ends up having “a net positive effect” on communities. It creates more jobs for the community. It provides more tax revenues for municipalities. It helps keep local shoppers shopping locally while attracting shoppers from neighbouring communities. And, importantly, shoppers aren't just shopping at Walmart. Their shopping expeditions take them to other stores, as well as to local restaurants, coffee shops, cinemas and entertainment venues. As for the impact on Main Street, studies have found that Walmart’s long-term effect was to improve the quality and diversity of the downtown area.

Looking for local ideas and innovation.

Walmart likes to buy locally. Not only is it good for Canada, it’s good for business. Partnering with local manufacturers and suppliers gives us a unique perspective on how we can best meet local product preferences. A store that reflects the community's tastes, activities or general personality makes each Walmart distinct. We are always searching for innovative and suppliers gives us a unique perspective on how we can best meet local product preferences. A store that reflects the community's tastes, activities or general personality makes each Walmart distinct. We are always searching for innovative and interesting Canadian merchandise on behalf of our customers. Walmart Canada is currently engaged with over 6,879 Canadian businesses, and the majority of our merchandise is sourced from these Canadian enterprises. While only a portion of merchandise is manufactured in Canada, buying Canadian helps local businesses succeed. As well, Walmart Canada holds Supplier Fairs every year to ensure companies of all sizes have a chance to bring their ideas and innovations to our attention. We also pay attention to our Canadian farming communities. When it comes to sourcing locally grown produce Canada holds Supplier Fairs every year to ensure companies of all sizes have a chance to bring their ideas and innovations to our attention. We also pay attention to our Canadian farming communities. When it comes to sourcing locally grown produce.

What some of the experts have concluded.

A large-scale study, conducted in 2008 by Russell S. Sobel and Andrea M. Dean of the Department of Economics, West Virginia University, concluded the following:

“A shop that was once a women’s clothing store has now turned into a high-end restaurant. A former record and compact disc store has been converted into an ice cream parlor. Other vacated stores have been filled by a coffee shop, an indoor rock climbing facility, an art gallery, a candle shop, a collectible comic books store, a dinner theatre, an antique mall and a new law firm... In the case of the antique mall, what used to be a single retail establishment was now replaced by approximately 20 to 30 small sole proprietors under this one roof.”

The study went on to say:

“Perhaps most importantly, the money consumers save on their general merchandise purchases because of Walmart’s lower prices is extra money that can be spent on other goods and services, such as those sold by these new specialty shops. They also observed that “new markets have opened up for other businesses who now sell products in their local Walmart stores.” The research concluded that the presence of a Walmart store can be a real boost to a local economy.

All-natural Greek salad dressing too good not to share.

A Walmart associate liked the all-natural Greek salad dressing at the 3Gyros restaurant run by Thanos Zikantis and Gary Bryan so much, he persuaded the Amherstburg, Ontario, restaurateurs to bring it to market and guided them through the process. 3Gyros Greek dressings ended up selling so well in two local Walmart stores that they are now on the shelves of 100 Walmart Supercentres. On Walmart’s urging, they’ve added a low-calorie, fat-free Mediterranean dressing, too. Now they’re looking for a bigger location so they can make enough product to meet Walmart’s future needs.

Nurturing rewarding partnerships with local communities.

Often, when Walmart announces plans to open a new store, shopkeepers worry about the impact to their business and what will become of their local Main Street. We are aware that many Canadians believe that local businesses will be negatively impacted when a Walmart opens its doors. These types of concerns are not new and have existed for a long time. As far back as 1830, concerns were raised when the world’s first department store opened its doors. The same in 1916 when the first supermarket appeared, and again in 1922 when the first modern shopping mall came into being. In the long run, however, it has been proven that the arrival of a Walmart has been beneficial for communities.

Just ask the people of Simcoe, Ontario.

In January 2008, Walmart Canada opened a store in Simcoe, Ontario. Local business people had opposed the store for more than a decade, fearing the worst. But what a difference a year makes. One year later, in the January 30, 2009, edition of the Simcoe Reformer, local business leaders talked about the positive impact Walmart had had in their community.

“Our members now know what it’s like to have Walmart.”

Shannon Bishop, manager of the Simcoe Walmart, said the store’s core customer base is from Simcoe, something market research predicted. “But we see people from Jarvis, Waterford, Port Dover,” she said. “We have people stopping in on their way through from London.”

Tammalyn Richards, manager of Fashion Max, a clothing store also in the Simcoe Mall has seen her customer base grow since the opening of Walmart. “A lot of people didn’t know we existed,” she said. “But now we have more regulars who don’t have to go so far.”

“Our members now know what it’s like to have Walmart. It’s just a matter of offering a product mix that Walmart doesn’t have.”

Brendalee Engelhardt
Chair
Downtown Simcoe Business Improvement Area
community investment

What we mean by Store of the Community.

Launched in 2006, our Store of the Community (SOTC) program has grown significantly. We recognize that each community has its own distinct characteristics and preferences, and we work hard to ensure that we respect those differences within our stores. Our success is dependent on each and every local community that our stores serve, and this in turn drives our passion to think locally. Stores are looked at much more individually to capture the unique and sometimes subtle differences in customer and community preferences from market to market. We work to ensure our merchandise mix addresses the growing ethnic, age, lifestyle and language changes that are reshaping the Canadian marketplace. Our merchandise mix and store layouts reflect the demographic and lifestyle needs of the community. For example, in a community of fishing enthusiasts we stock specialized fishing gear, and in urban centres we sell smaller products suited to condo living, and so on. As well, reflecting Canada’s cultural mosaic, Walmart stores stock merchandise that meets the needs of these diverse communities—food products to greeting cards and music. This commitment to SOTC helps to ensure that Walmart Canada stores are flexible to meeting individual community needs.

Vancouver’s Store of the Community.

It used to be that 2 million Vancouverites shopped at Walmart each year, despite the fact that the city did not actually have a local store. Walmart Canada had pursued the opportunity to serve local shoppers but faced many roadblocks in this urban environment. By demonstrating some creativity through our SOTC efforts, we were able to move into an existing urban building, opening a Walmart Supercentre that is about half the size of our traditional format. In the past, Walmart would have levelled the building, starting from scratch at a much greater environmental cost. Instead, we moved in with a sustainable mindset, recognizing the character of the local community we were attempting to serve. We re-used as much of the original building as possible. We buffed up the exposed concrete floors instead of covering them with harsh glues and new tiles. We installed an environmentally friendly white roof, replaced the refrigeration and energy intensive heating and cooling systems, and put various sustainable operations in place.

Our Vancouver store is an exciting demonstration of our ability to work creatively within the confines and expectations of the local community. We believe this creativity is one of the main reasons our Vancouver store has been remarkably successful.

Buy-Quebec program.

Since arriving in Canada in 1994, Walmart has maintained a warm business relationship with its Quebec suppliers. The creation in 2006 of its Achat Québec (Buy-Quebec) program formalized this relationship. Today, Walmart deals with over 1,600 Quebec suppliers, contributing more than $1.75 billion to the Quebec economy. Walmart fully supports the local economy by promoting our Quebec based manufacturers and importers.

Boulangerie Auger

“Boulangerie Auger is proud to participate in Walmart Canada’s Achat Quebec buying program. We are extremely happy that a company like Walmart gives us the opportunity to sell Auger Breads which are entirely made from wheat cultivated and processed in Quebec. This great opportunity has allowed us to create 40 local jobs. Thanks to Walmart, Boulangerie Auger has been able to make a mark on the Quebec market as a strong player by offering a full line of superior quality sliced breads.”

Guillaume Talbot, Director of Sales and Distribution

Cascades

“Walmart’s Achat Quebec programme has definitely allowed Cascades to develop its line of Cascades Enviro™ 100% recycled fibre products and market them to Quebec consumers. Buying locally is one way of reducing one’s environmental footprint and that makes this program all the more important.”

Suzanne Blanchet, President and Chief Executive Officer

Leclerc

“ The increased support we have received from Walmart’s Achat Quebec program is of great importance to us. The energy with which you support Quebec vendors and the visibility that you have given to our products in your stores have meant greatly increased sales in Quebec. This has had an indirect impact - our partners at Walmart Toronto are now more interested in our brand. We hope that these results will open the way to the Canadian market, through Walmart.”

This business partnership is very positive; a real stimulus to our organization.”

Jean-Marc St-Jacques, VP Sales Ontario

Groupe Biscuits Leclerc Inc.

Celebrating diversity.

Walmart’s new Store of the Community initiative is all about being open to suggestions on what products to carry to better meet the needs of local communities—e.g., stocking Chinese New Year cards, Chinese foods and other products like outdoor fountains in the Markham, Ontario, store; and stocking more Indian spices and other products in the Mississauga and Brampton stores.

Look local.

There was a time, not long ago, when all Walmart stores looked the same. Today as we develop new stores, we listen and work with communities to make sure the stores we build are unique and tailored to meet the local character. As part of our SOTC efforts, we have a broader palette of building options and seek input on store design, colours, materials, landscaping, parking lots, and pedestrian traffic that would reflect the character of the local community. In some cases, we incorporate local architectural details, like the farm-inspired roofline of our St. Jacobs store opened in 2008 in Waterloo, Ontario.

Looking to improve every year... Our goals for 2009 and beyond:

- 26 store projects planned in 2009
- 6 new Walmart Supercentres planned (two will replace existing local Walmart discount stores)
- 16 existing Walmart discount stores expanded by 30,000 to 40,000 square feet to become Walmart Supercentres
- 4 Walmart discount stores converted without expansion to become Walmart Supercentres
We are actively involved in our communities through various organizations and charities. Corporately, Walmart primarily contributes to programs that help families particularly in the areas of healthcare, education and safety. Locally, our stores support the charitable initiatives that are most meaningful to associates and customers in the community. We believe that by giving back, we can help local communities who are directly responsible for our success. Here are some of our key accomplishments in 2008:

- **$22.5 million** in charitable donations in 2008, up 12.8% over 2007
- **$14.6 million** raised through fundraising by stores and associates
- **$7.9 million** in corporate donations
- **$4 million** donated through local matching grants
- **$4.2 million** raised through the Walmart Walk for Miracles and walk-related events
Through our local Adopt-a-School program, each Walmart store nationwide is encouraged to select and support a neighbourhood school. Because school boards across the country have different guidelines and regulations, stores are encouraged to tailor this program to meet the needs of the individual schools involved. The support can be financial, material or in a volunteer capacity. In 2008, over 175 elementary and high schools participated in the program.

Where our community support goes.

With the help of our associates, customers and suppliers, Walmart Canada contributed $23.5 million to Canadian charities in 2008, a 12.8 per cent increase over 2007. Programs that benefit children in the areas of health, education and safety are the focus of our community efforts. We are also involved in local greening and environment programs as well as disaster relief. Individual stores play a significant role in our community involvement programs and are responsible for choosing the local charities that mean the most to their communities.

So much more to get involved in.

- **RCMP Foundation:** Walmart sponsored the production of 750,000 child ID kits, which are available to Canadian families free of charge. These kits help parents create a profile of their child, preparing them to respond immediately if a child goes missing.

- **Salvation Army:** Through the in-store kettle campaign, the Salvation Army raised $1.4 million (not included in totals) at Walmart Canada stores in November and December 2008. We also made financial contributions and conducted a pilot project donating unsold clothing to support its numerous social programs.

- **Juno Beach Centre:** Celebrating the war efforts of all Canadians, civilian and military alike, Walmart donated funds to this memorial museum to make it possible to provide additional educational displays and improve the centre’s collection of artifacts. These funds were also able to support a program for Canadian history teachers to obtain more detailed knowledge about this historic event so that they are better able to teach their students. In 2008, we increased our contribution by over 35 per cent.

**FYI on donations and funds raised ($).**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Children’s Health, Education &amp; Safety</td>
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<td>Juno Beach Centre</td>
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<td><strong>Total Contributions:</strong></td>
<td><strong>$22.5 million</strong></td>
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Not included in totals:

- **RCMP Foundation:** $450,000
- **Salvation Army:** $1.4 million
- **Juno Beach Centre:** $383,000

**Stores directly involved in helping their communities.**

In 2008 Walmart raised and donated $4 million through our Local Matching Grant program, supporting over 1,300 local charities and non-profit organizations. The grants boost – and often double – funds that have been raised by individual stores. All stores are eligible to match their local fundraising activities as follows:

- up to $4,000 for small stores
- up to $6,000 for medium stores
- up to $8,000 for large stores

**2008 Total Contributions:**

- Raised through fundraising: $14.6 million
- Donated by Walmart Canada: $7.9 million
- Total: $22.5 million

Looking to improve every year... Our goals for 2009 and beyond:

- Target $8.2 million in corporate donations
- Target $15.1 million in raised funds
- Target 20,000 participants for the Walmart Walk for Miracles
- Extend Food Bank food donation program
- Extend Salvation Army clothing donation program
Sustainability in Action

All paper in Walmart’s Corporate Social Responsibility Report came from well-managed forests or other controlled sources certified in accordance with the international standards of the Forest Stewardship Council (FSC). It contains 100% post-consumer paper (100% recycled), is EcoLogo certified and PCF (processed chlorine free) certified, and was manufactured using biogas energy. To minimize our impact on the environment, we have printed a limited number of copies of this report. Please visit www.walmart.ca to view, print or share this report in PDF. This publication is available in English and French. Printed and produced in Canada.

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- Water saved: 24,114 gallons
- Air emissions reduced by: 5,610 lbs
- Solid waste reduced by: 2,555 lbs

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Tell us what you think

We welcome any questions or suggestions for this and future editions of our CSR Report. If you would like to comment on this report or have questions about Walmart Canada, please email us at CACSR@wal-mart.com.

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