



 **2024 REPORT UNDER THE
FIGHTING AGAINST FORCED
LABOUR AND CHILD LABOUR
IN SUPPLY CHAINS ACT**

**2024 REPORT BY
WAL-MART CANADA CORP.**

INTRODUCTION

This report has been published in accordance with the requirements set forth in *The Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

It sets out the processes, policies, guidance, procedures, controls, and measures taken by Walmart Canada to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by Walmart Canada or of goods imported into Canada by Walmart Canada.

This report relates to our financial year ended 31 January 2024.

STEPS TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR

Walmart Canada is committed to buying and sourcing products that are produced in a responsible way and to complying with all applicable laws related to responsible sourcing. Our Walmart Standards for Suppliers (<https://corporate.walmart.com/suppliers/requirements>) sets our expectations for suppliers of product (merchandise or goods not for resale). Our Standards for Suppliers apply to suppliers of Walmart Inc. and suppliers of Walmart controlled subsidiaries globally, including Walmart Canada. These Standards make it clear that products should not be produced using forced labour, or underage labour. Walmart Canada also expects suppliers to provide safe and healthy working conditions and protect workers from violence and harassment in the workplace. Our suppliers are required to meet our expectations in the facilities producing product to be sold to Walmart Canada. Suppliers are required to cascade these expectations throughout their supply chain—including to raw material, component, or ingredient suppliers.

Our Responsible Sourcing program sets expectations of product suppliers in alignment with our [Human Rights Statement](#), monitors supplier performance against those expectations, and works through our business to continuously improve our product supply chains.

In 2023 some of Walmart Canada's activities and initiatives to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere included:

- Audited and assessed over 4500 production facilities around the world.
- Trained over 300 Walmart Canada associates on Responsible Sourcing Compliance and Supply Chain Risk.
- Trained over 80 suppliers on Responsible Sourcing expectations and Standards in Supply Chains.
- Performed internal Responsible Sourcing program reviews.
- Performed Global Country Risk assessments using globally recognized inputs from entities including, U.S. State Department's Trafficking in Persons Report, World Bank Governance Indicators, and British Standards Institute.

- Added and published two new supply chain expectation standards to our robust monitoring programs:
 - Supplier Supply Chain Traceability Expectations; and
 - Responsible Recruitment Expectations.
- In August 2023, Walmart Canada became the first Fleet ambassador to the Know Human Trafficking awareness campaign in conjunction with Women’s Trucking Federation of Canada and Crime Stoppers. Four of Walmart Canada’s trailers are wrapped in Stop Human Trafficking decals to raise awareness to prevent human trafficking. On top of that, all our Fleet associates are trained on how to spot and prevent human trafficking, and awareness campaigns are held twice annually.

The following sections will provide more detail on some of the steps we have taken in our previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere in our supply chain.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

WALMART CANADA STRUCTURE:

Walmart Canada is a wholly-owned subsidiary of Walmart Inc., we are a people-led, technology-powered omni-channel retailer dedicated to helping people save money and live better by providing the opportunity to shop in both retail stores and through eCommerce, and to access our other service offerings.

Since we began in Canada in 1994, we’ve grown to become one of the country’s largest employers, with more than 100,000 associates nationwide. As we continue to evolve – offering tens of millions of products and a growing portfolio of services – we are helping to advance Canada’s economy and working with Canadian suppliers to meet customer needs.

Every day, we help move our country’s economy forward by working with close to 2,000 Canadian suppliers. We are also embracing regeneration, striving to leave the world better than we found it. We are a leader in sustainability, we create jobs and opportunities for people of all backgrounds, and we help strengthen communities across the country.

Walmart Canada’s supply chain is large, global, and complex in nature. Walmart Canada purchases a wide variety of products from over 5,000 suppliers with products being produced in over 50 countries from around the world. Walmart Canada also provides a marketplace platform for over 7,000 third party sellers to sell and advertise their products directly to customers.

Walmart Canada leverages 16 Distribution Centres and 3 Fulfillment Centres that service our 403 stores as well as Walmart Canada eCommerce customers across the country. Most of our Distribution Centres and Fulfillment centres are located within Central Ontario, East Ontario, and Alberta.

Walmart Canada uses both Walmart Fleet and third-party carriers to service our stores.

WALMART CANADA'S ACTIVITIES IN ITS SUPPLY CHAIN

Walmart Canada believes businesses have a responsibility to respect human rights. We are committed to respecting human rights in our own operations and to holding our suppliers accountable for respecting the human rights of the people who make the products we source and sell.

Walmart's [Human Rights Statement](#) serves as the foundation of our robust human rights efforts. It confirms Walmart Canada's respect for human rights and articulates how our culture and values, as well as international instruments—including the U.N. Universal Declaration of Human Rights, the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work and the U.N. Guiding Principles on Business and Human Rights—guide our approach to human rights due diligence.

Walmart Canada's expectations of suppliers are set out in our [Standards for Suppliers](#), which applies to all suppliers that sell their products to us for resale or for Walmart Canada's own use. Suppliers are expected to cascade the requirements outlined in our Standards for Suppliers throughout their supply chains – including raw material, component or ingredient suppliers, and subcontractors and agents. These foundational expectations address fundamental issues such as worker safety, forced labour, and harassment and discrimination in the workplace.

Walmart Canada maintains and monitors robust management systems and controls throughout our supply chain activities that are disclosed in greater detail in the following sections of this report.

POLICIES, STANDARDS, EXPECTATIONS AND DUE DILIGENCE

To effectively communicate and enforce our expectations related to the prevention of forced labour and child labour, we have implemented policies and due diligence procedures that are designed to support our high standards in ethical and responsible supply chain practices.

STANDARDS FOR SUPPLIERS: Our Standards for Suppliers apply to suppliers of Walmart Inc. and suppliers of Walmart controlled subsidiaries globally, including Walmart Canada. Suppliers include anyone that provides products to Walmart Canada, including goods for resale and for Walmart Canada's own use, also known as goods not for resale. Suppliers are responsible for compliance with these Standards throughout their business and throughout the process of providing products to Walmart Canada. This includes responsibility for the conduct of any suppliers, subcontractors, and agents they use as part of their Walmart Canada business (including, for example, factories, processing facilities, and raw material, component, and ingredient providers). Learn more about our standards and expectations for suppliers and our requirements for facility disclosure [here](#).

HUMAN RIGHTS STATEMENT: When it comes to addressing human rights issues, we seek to go beyond our own policies and procedures by working collaboratively with other stakeholders to inform our approach and

identify root causes; sharing our work with others; and using our leverage to help drive positive change. The full statement can be found here: [Human Rights Statement](#).

GLOBAL FORCED LABOUR PREVENTION POLICY: Preventing forced labour in our operations and working with suppliers to prevent forced labour is the responsibility of all Walmart associates. Walmart Canada also expects our suppliers to uphold our Forced Labour Prevention principles and compliance requirements. For more information on our Global Forced Labour Prevention Policy visit: <https://corporate.walmart.com/policies#global-forced-labor-prevention-policy>.

CODE OF CONDUCT: Walmart's Code of Conduct, which applies to all Walmart associates globally, reiterates our respect for human rights, prohibits the use of underage or forced labour anywhere we do business, sets the expectation that all Walmart associates know and uphold our Standards for Suppliers, and obligates associates to comply with all other relevant policies, including our Global Responsible Sourcing Policy and Global Forced Labour Prevention Policy. To view our Code of Conduct please visit www.walmartethics.com.

RESPONSIBLE RECRUITMENT EXPECTATIONS: Walmart Canada respects the basic rights and dignity of workers and complies with all applicable laws and regulations in the locations where we operate and in our supply chain. We believe in the Employer Pays Principle and that workers should be recruited responsibly. To learn more about Walmart's Responsible Recruitment Expectations please visit our Responsible Sourcing HUB at [RS HUB](#).

DISCLOSURE POLICY: Supplier transparency allows Walmart Canada to assess supply chain risk, monitor supplier compliance with our Standards for Suppliers, respond effectively to supply chain incidents, and deploy resources in a risk-based manner—all of which helps us earn and keep our customers' trust. Information related to our Disclosure Policy can be found here: [Disclosure Policy](#).

SUPPLY CHAIN TRACEABILITY EXPECTATIONS: Supplier transparency about the facilities used to manufacture products for Walmart Canada is a foundational aspect of Walmart's Global Ethics & Compliance program. To learn more about Walmart's Supply Chain Traceability Expectations please visit our Responsible Sourcing HUB at [RS HUB](#).

To prevent or reduce the risk that forced labour or child labour is used in the supply chains from which we source, and to promote the well-being of people working in our supply chains, Walmart Canada aims to source our products responsibly, and to collaborate with others to address systemic risks to worker well-being.

RESPONSIBLE SOURCING DUE DILIGENCE:

We hold our suppliers accountable for the responsible operation of their facilities and for safeguarding the well-being of workers in their facilities and supply chains. Walmart Canada expects that the products we purchase and sell or purchase for our own use are made by suppliers who act ethically, pay people fairly, provide working environments that are clean and safe, and respect the dignity of workers. We articulate our

expectations in our [Standards for Suppliers](#), which apply to all suppliers who sell their products to us for resale or for Walmart Canada's own use. We employ a risk-based approach to monitor for compliance with our Standards, focusing on areas that pose the greatest potential risk to worker dignity. Our merchants and sourcing teams manage risk by engaging their suppliers to make our expectations clear, by providing resources and information to clarify expected practices, and by holding them accountable for compliance where necessary.

We clearly state our expectations to our suppliers and the standards to which they must adhere as it relates to forced labour and child labour. People should not be exploited through employment, and Walmart Canada has prioritized working with stakeholders to combat forced labour and child labour and other exploitative practices in global supply chains. We expect suppliers to take seriously their responsibility to prevent these exploitative practices. Our Standards for Suppliers articulate our expectations to suppliers as follows:

- Do not use forced labour. Exclude involuntary labour—including underage, forced, coerced, bonded, involuntary prison, exploited, trafficked or indentured labour—from your operations, subcontractors' operations, and supply chain.
- Be aware of indicators of involuntary labour and actively address them. Have systems in place to monitor for signs of trafficking and exploitation, particularly where your business includes vulnerable populations such as migrants, women, and young people.
- Recruit responsibly. Do not charge vulnerable workers recruitment or similar fees—even if the collection of such fees is allowed under local law. If such fees are charged, we expect you to repay them. We also expect you to communicate to migrant workers the terms of their employment contract in their native language prior to departure from their home country. Hold your agents and any labour brokers and recruiters used in the recruitment process to the same standards.
- Allow workers freedom of movement. Do not keep workers' personal identity documents or other valuable possessions, do not control workers' freedom of movement through debts owed to you, brokers, or other third parties, and allow workers to terminate employment on reasonable notice.

Responsible Sourcing associates support the various banners across all the markets and sit with business partners in markets and sourcing hubs around the world, as indicated in the below map. These associates provide ongoing support and guidance to merchandising and sourcing teams so they can align purchasing practices with program expectations. This includes helping these teams understand and mitigate risk and training them on responsible sourcing expectations, processes, trends, and tools; working directly with suppliers to help create an understanding of our expectations; and collaborating with stakeholders on key industry and regional responsible sourcing issues.



COLLABORATING TO ADDRESS SYSTEMIC RISKS TO WORKER WELL-BEING:

Systemic issues such as forced labour, unsafe working conditions and gender inequity require collective efforts to bring about significant, positive, and lasting transformation for the well-being of workers. Walmart Canada, Walmart Inc. and the Walmart Foundation collaborate with suppliers, non-governmental organizations, experts, and others to address root causes of these issues, foster innovative solutions, and accelerate adoption at scale.

To support suppliers, associates, and individuals, we continually review systemic risks and our related policies and controls to mitigate those risks. We make this information publicly available to increase awareness and to further communicate our expectations and standards. The foundational elements of our Responsible Sourcing program can be found on our Corporate website and specifically at the Responsible Sourcing Hub, for further insights please visit the [RS HUB](#).

ASSESSING AND MANAGING THE RISK OF FORCED LABOUR AND CHILD LABOUR

Walmart Canada realizes that forced labour risk exists in almost all levels and product types of the global supply chain. It is this recognition that allows us to create and execute a robust group of policies controls and continuous improvement efforts to eradicate it.

ASSESSING RISK: Walmart Canada’s Responsible Sourcing Compliance team conducts an annual risk assessment to better understand social compliance concerns in the supply chain. This assessment analyzes Walmart Canada’s internal audit and case management data, along with publicly available data (e.g. U.S. State Department’s Trafficking in Persons Report, World Bank Governance Indicators, and British Standards

Institute), to identify the prevalence of issues occurring in countries where Walmart Canada has sourcing activity and/or retail operations. The results allow Walmart Canada to consider opportunities for enhanced awareness or tailored initiatives.

Walmart Canada understands that an ever-changing retail market landscape can create new and emerging risks in our supply chain. The expansion of our Walmart.ca Marketplace has provided rapid expansion of the supply chain and product availability to customers. With this rapid expansion comes added supply chain risk. We recognize this risk and have taken steps to mitigate the risk of forced labour or child labour in this channel by standing up a Marketplace Seller Code of Conduct as well as creating online resources and training for suppliers to support these efforts. In addition, our Prohibited Products Policy prohibits the use of forced labour or child labour anywhere in the Marketplace seller's supply chain. Failure to meet these standards may lead to seller consequences, including de-listing of the seller's products, suspension of the seller's account and termination from the Walmart.ca Marketplace.

ADDRESSING SUPPLY CHAIN RISK: Walmart Canada's expectation of compliance with our Standards for Suppliers extends throughout the supply chain. We use third-party social, safety and environmental compliance audits to help us evaluate our suppliers' overall compliance and to manage risk in the supply chain. These audits seek to monitor whether, among other things, workers are properly paid for the work they do, labour is voluntary, workers are not being exploited, facilities comply with employment age laws and standards, working hours are not excessive and are consistent with local laws and standards, and facilities meet health and safety laws and regulations. Walmart's global audit assessment team reviews third-party facility audit reports suppliers submit and assigns each facility a colour rating based on the third-party program's evaluation of the facility and Walmart's own review of the reports.

Walmart Canada has several mechanisms for workers (and anyone with relevant information) to raise concerns directly to Walmart. For example, we provide a 24/7 global helpline that is available in 29 languages. This is in addition to the globally accessible email (ethics@walmart.com) and website (walmartethics.com). We provide [posters](#) to suppliers to place in their facilities in the local language detailing how workers can use these mechanisms.

WALMART PARTNERING WITH NGO'S:

- ***Ethical Charter on Responsible Labor Practices.*** Walmart joined other members of the Joint Committee for Responsible Labor Practices convened by United Fresh and the Produce Marketing Association to develop the Ethical Charter in 2017. The Ethical Charter is a code of conduct that sets out key guiding principles and values and provides a framework for responsible labour practices in the sector and is aligned with Walmart's Standards for Suppliers.
- ***Leadership Group for Responsible Recruitment (LGRR).*** Walmart has been a member of this company-led collective advocacy platform since 2016. LGRR collaborates with other businesses, the recruitment industry, and governments to create demand for responsible recruitment, increase the supply of

ethically sourced labour and improve protections for migrant workers through effective regulation, engagement, and the global recruitment industry.

- **International Organization for Migration (IOM).** In 2019, Walmart engaged IOM to better understand the scope and scale of migrant labor in Walmart's supply chains in Thailand and Malaysia and deliver training to increase awareness of responsible recruitment practices, improve the recruitment process of migrant workers, and decrease the risk of workers' exploitation.
- For more information on these engagements and others, please refer to Walmart's ESG statement [here](#).

REMEDIATION MEASURES

If Walmart Canada receives information alleging serious violations of our Standards for Suppliers by a supplier or its facilities, we immediately escalate and investigate. Our case management and escalation criteria are informed by the International Labour Organization Fundamental Principles and Rights at Work. In Walmart Canada's last fiscal year, nearly 200 cases involving facilities associated to the Canada market were opened that related to more serious allegations of non-compliances with our Standards for Suppliers. Nearly 50% of cases arose from sources other than the audit process, indicating a functioning worker voice system.

As mentioned above, Walmart partners with key stakeholders, such as the IOM, to further training, education, and awareness for workers on responsible recruitment. This type of awareness is an integral part of long-term remediation efforts.

Walmart Inc., Walmart Canada, and the Walmart Foundation collaborate with suppliers, non-governmental organizations, experts, and others to address root causes of these issues, foster innovative solutions, and accelerate adoption at scale.

REMEDIATION MEASURES RELATING TO THE LOSS OF INCOME TO THE MOST VULNERABLE

Walmart Canada respects the basic rights and dignity of workers and complies with all applicable laws and regulations in the locations where we operate and in our supply chain. We believe in the Employer Pays Principle and believe that workers should be recruited responsibly. As detailed in our [Responsible Recruitment expectations](#), our suppliers must have a process in place to identify if any associates or workers have paid recruitment fees as these fees are widely known to be a leading indicator of forced labour. The supplier must calculate and repay fees if it has been identified that associates or workers have paid recruitment fees. Suppliers are required to partner with Walmart's Responsible Sourcing Case Management team to develop an action plan on repayment that is required to be completed within a reasonable time period. Suppliers who do not comply with these expectations may be subject to consequences, up to and including termination of business with Walmart.

TRAINING

Walmart Canada's merchandising and sourcing associates are trained on our Global Responsible Sourcing Compliance Policy, our Standards for Suppliers, and our Responsible Sourcing expectations on an ongoing basis. This training introduces new merchants to the Responsible Sourcing program while updating program understanding with experienced merchants. Responsible Sourcing associates also provide merchants with a profile of the social compliance status of active, disclosed facilities and suppliers relevant to their business to enable informed business decisions.

In addition to training Walmart Canada associates, we provide tools and resources to suppliers through various channels, including our Responsible Sourcing HUB. Supplier training insights can be found on the [RS HUB](#) to help them understand our expectations and to help them make improvements in their supply chains. Additionally, when suppliers with facilities within [the scope of our Responsible Sourcing auditing program](#) disclose those facilities to us, Walmart Canada sends those suppliers email communications reiterating our Standards for Suppliers and providing references to resources to help them understand and meet Responsible Sourcing requirements.

ASSESSING EFFECTIVENESS

Walmart Canada assesses its effectiveness in combatting forced labour and child labour in several ways.

- Walmart Canada takes a risk-based approach to requiring social audits of suppliers' facilities. The results of these audits are used to identify higher risk non-compliances, such as forced labour and child labour, and determine the re-audit requirement.
- Walmart Inc. maintains a case management system, of which Walmart Canada is associated and partners with to investigate allegations of violations of our Standards by a supplier or its facilities. Cases may result from audits or from sources such as the ethics hotline. Globally, nearly 50% of all cases arises from sources other than the audit process, indicating functioning worker voice systems.

At Walmart Canada, we strive to continually improve our risk-based audit program so we can better allocate our resources to higher-risk regions, product types and facilities and help increase overall program effectiveness.

APPROVAL AND ATTESTATION: In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Name: Sam Wankowski

Title: Chief Merchandising Officer

Date: May 27, 2024

I have the authority to bind Wal-Mart Canada Corp.