IOM “Alliances for Obesity Prevention: Finding Common Ground”
*Thursday, October 20, 2011*

**Walmart Healthy Food Initiative**

Andrea Thomas
**Senior Vice President of Sustainability**
Walmart
Changing Priorities, Increased Awareness

Customers lack the tools to turn their desires into action

Desires:
- Hungry for information
- Strong desire to live better
- Aware of food’s role in health and the environment

Reality:
- Limited time
- Tight budgets
- Many responsibilities
Leading The Way

**Our Goal:**
Make it easier to live healthy – by bringing better nutrition to kitchen tables across the country

- Reformulating thousands of packaged foods, such as reducing sodium and added sugars in select Great Value products
- Saving customers $1 billion/year on healthier items, including reduced prices on produce
- Developing a simple front-of-package seal that will debut on select products in 2012, making it easier to identify healthier foods
- Opening between 275 and 300 stores in urban and rural food deserts by 2016 to increase residents’ access to fresh, healthier foods
- Increasing charitable support for nutrition education programs by donating millions of dollars through the Walmart Foundation
Reducing Sodium and Added Sugars in Great Value Products Such as Canned Pasta and Pasta Sauce

Over the next five years we will:

• Reduce sodium by 25%
• Reduce added sugars by 10%
• Remove all remaining industrially produced trans fats
We are in the process of collecting on-line reformulation data to report progress at the end of the year.

<table>
<thead>
<tr>
<th>Q1 2011</th>
<th>Q2-3 2011</th>
<th>Q4 2011</th>
<th>Q1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1:</strong> Identify participating categories</td>
<td><strong>Step 2:</strong> Develop and test on-line survey</td>
<td><strong>Step 3:</strong> Collect data on baseline and current</td>
<td><strong>Step 4:</strong> Report results weighted by sales in GRR</td>
</tr>
</tbody>
</table>
| • Focus on categories that contribute the most and are the least understood | • On-line survey asks for the following information:  
  - Serving size  
  - Sodium (grams)  
  - Added sugars (grams)  
  - Presence of partially hydrogenated oils (Y/N)  
  • Beta testing is complete | • Buyers have identified the correct contact at suppliers  
  • Survey is sent via e-mail with questions by product sku  
  • Response due in 4 weeks for baseline (2008) and current formulation | • Results will be published in April 2012 with Annual Report |
“No family should have to choose between food that is healthier for them and food they can afford.” Bill Simon

**Drive down costs on fresh produce**
- Local sourcing
- Supply chain efficiency
- Waste reduction

**Parity pricing on better for you (BFY) products**
- Work with merchants to identify pairs of products with better for you versions of the parent brand
- Conducting analysis on average price per serving for baseline (FY ‘11) and current year-to-date to identify premiums
- Reviewing trends to prioritize next steps
Rolling Out a Healthier Food Icon on Great Value Eligible Products in Early 2012

• Developed criteria for healthy foods
• Vetting criteria with nutrition and health stakeholders
• Created algorithm to apply criteria to Great Value products
• Testing and refining criteria and its application
Opening Between 275 and 300 Stores in Urban and Rural Food Deserts in the United States Between Now and 2016

Adding to the 218 stores we’ve opened since 2007, opening these additional stores by 2016 will:

• Provide access to groceries for more than 800,000 people living in 700 food deserts in rural and urban areas across the United States

• Provide good jobs with benefits and the opportunity to advance for more than 40,000 associates
Transforming farming with locally grown produce

- Walmart works with 400 growers within 400 miles so the supply chain is shorter and the food is fresher.
- We’re helping to put crops back in areas where they traditionally were grown through Heritage Agriculture.

Supplying fresh produce at lower costs – in more environmentally sustainable ways.
Giving Millions of Dollars to Programs that Support Nutrition Education Through The Walmart Foundation
Working with Sesame Street to Educate Children about Healthier Food Choices

• Walmart has donated $2.2 million to the Sesame Workshop program to promote awareness of proper nutrition among American children

• Walmart’s funding makes possible important programs, such as:
  
  o *Growing Hope Against Hunger*, designed to provide simple, empowering strategies to families who aren’t sure where their next meal will come from
  
  o *Food for Thought*, a Sesame Workshop bilingual, multimedia outreach initiative reaching three million low-income individuals (primarily mothers and children) coping with food insecurity with resources to help them make healthy choices despite limited finances
Partnering with the American Heart Association to educate consumers on “Simple Cooking with Heart”

- Walmart teamed up with the AHA to launch “Simple Cooking with Heart,” a program that encourages Americans to cook low-cost, heart-healthy meals at home.

- Walmart’s funding provides for:
  - Heart-healthy recipes
  - Cooking demo videos and how-to’s
  - Live “Simple Cooking” demonstrations in communities nationwide
  - A “Simple Cooking Home Party Kit”
Reporting Our Progress in our Corporate Responsibility Report in April 2012

- Reaching our reformulation targets
- Providing annual savings on healthier items, including reduced prices on produce
- Educating our customers on building healthy diets
- Opening stores in food deserts to increase residents’ access to fresh, healthier foods
- Increasing charitable support for nutrition education programs through the Walmart Foundation