

# Nature commitments

## Measurement Guidance

### Introduction

Walmart and the Walmart Foundation are committing to help protect, manage or restore at least 50 million acres of land and one million square miles of ocean by 2030. By combining the efforts of Walmart and our suppliers, in addition to philanthropic investments from the Walmart Foundation, we will increase adoption of sustainable and regenerative practices in supply chains.

### What do we mean by protect, manage, restore, place-based partnerships?

- *Protect*: Landscape and seascape conservation initiatives aimed at preserving natural ecosystems.
- *Manage*: Support adoption of regenerative practices for productive landscapes and seascapes.
- *Restore*: Assist the recovery of damaged ecosystems back to their natural functions.
- *Place-based partnerships* – Projects that integrate social, economic, and environmental outcomes in partnerships between private companies, governments and local stakeholders.

### Why engage in a place-based partnership or jurisdictional programs?

- Good for business – may reduce cost of having to certify individual suppliers or verify production practices; supports surety of supply; and can accelerate progress towards zero deforestation and conversion goals.<sup>1</sup>
- Good for nature – biodiversity gains are targeted at the landscape or seascape level, with dedicated planning that considers natural habitats, and sustainable resource management.
- Positive impacts to local communities – competing uses for land or sea can be reconciled through participatory processes, with plans for environmental conservation and sustainable agricultural production.<sup>2</sup>

### What will “count” towards our Nature Commitments?

The assumptions around what certifications, practices and standards should count starts with an assessment of the impact levers that we can influence. For this, we looked across our sourcing, supplier engagement, and sector investments. The impact levers we identified are as follows:

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<sup>1</sup> <https://www.isealalliance.org/sustainability-news/addressing-sustainability-scale-through-landscape-and-jurisdictional-approaches>

<sup>2</sup> [https://www.conservation.org/docs/default-source/publication-pdfs/jurisdictional\\_approach\\_full\\_report\\_march2019\\_published.pdf?Status=Master&sfvrsn=23c977ae\\_3](https://www.conservation.org/docs/default-source/publication-pdfs/jurisdictional_approach_full_report_march2019_published.pdf?Status=Master&sfvrsn=23c977ae_3)

Private Brand / Direct Sourcing	Engaging the supply chain	Capacity / Sector Investment
<ul style="list-style-type: none"> <li>Increasing adoption of <b>nature friendly policies and certifications.</b></li> <li>Developing <b>sustainably sourced product and ingredient lines.</b></li> <li>Sourcing from an established <b>place-based projects.</b></li> </ul>	<ul style="list-style-type: none"> <li>Increasing adoption of <b>nature friendly policies and certifications.</b></li> <li><b>Encouraging suppliers to create and report on initiatives</b> through the Sustainability Hub.</li> <li><b>Initiatives incubated by Walmart, but supplier led</b> (e.g. MRCC, fertilizer optimization).</li> </ul>	<ul style="list-style-type: none"> <li><b>Evolving standards</b> to increase strength and credibility.</li> <li>Investment in <b>place-based project capacity</b> (transparency, measurement, backbone orgs).</li> <li><b>Investment in place-based initiatives.</b></li> </ul>

This means that we will need measurement and reporting to accommodate the above approaches and ultimately ladder to the aspiration.

Acres and commodities reported through these efforts are not expected to match Walmart’s supply chain footprint. Suppliers may choose to report through Project Gigaton on a larger portion of their supply chain than what they directly supply to Walmart. Similarly, projects supported through the Walmart Foundation are not aligned to Walmart’s supply chain.

### How Are We Thinking About Credibility?

Working with recommendations from partner environmental NGOs, we recognize that we should bring along a broad supplier base to understand why this is important and the role they can play, as well as support deeper interventions needed in critical land and seascapes. There are several challenges with measuring nature at the scale of Walmart’s supply chain today, including:

- Each commodity chain (e.g. beef, soy) and landscape type (land or forest) will have a different set of practices and outcomes that are optimal for moving towards regenerative sourcing. Geographic diversity and local availability of resources adds to this complexity.
- “Nature” includes a suite of related indicators around ecosystem health i.e. biodiversity, water quantity and quality, and it is difficult to concretely define what counts and what doesn’t. We will continually evaluate the proper indicators to measure continuous improvement towards our goal as additional scientific research becomes publicly available.
- The unit of measurement for where practices happen (supplier level, field level, community level) does not always match the unit of measure where impacts are seen (often landscape or jurisdictional level).

Ultimately, our goal is to support movement towards regenerative practices that are inclusive of economic and social sustainability, and result in a net positive benefit.

### What are the types of indicators which will be used to measure progress?

The list below is illustrative of the types of indicators we can consider and is informed by collaborative processes Walmart participates with suppliers, environmental NGOs, and industry coalitions. We will continue to explore place-based partnerships with our suppliers, which will help identify the most relevant and meaningful indicators for the list. We aim to be transparent about this list to encourage adoption of regenerative practices and build the capacity of verification mechanisms.

Biodiversity		
Enhance biodiversity	Increased pollination services	
	Sediment capture and soil retention	
	# of Cultivated Varieties	All
	% small habitats on farm	
	# of wild species around cultivated areas	All
	% reduction of bycatch	
	Increased carbon storage in plant biomass (e.g. agroforestry, woodlot, hedgerows)	

Resource Management		
Reduce agro-chemical inputs	Nitrogen balance (kg N/ha)	
	% residues in water / soil / final product	
Increase capacity of soils to hold water	Nitrogen & phosphorus loads in water table below agricultural land	
	Water retention / infiltration rate	
	Water use efficiency	
Keep carbon in the soil (carbon sequestration)	% of organic matter in the soil	
	X% reduction in kg CO2e	
	# of earthworms	

Resource Status		
Restoration of Critical Landscapes/ Seascapes	Habitat restoration (specific species conservation objective)	All
	Habitat restoration (ecosystem scale)	All
	Reducing fragmentation or increasing connectivity between habitat (e.g. wildlife corridors)	All
	Climate mitigation through restoration of forest or other carbon dense ecosystems	All
	Target restoration for improved water quality/quantity (hydrological flow regulation)	All
Conservation of Critical Landscapes/ Seascapes	Land area protected	All
	Protected Area Management Plan	All
	# of ETP species protected habitat	All



Economic		
Support livelihoods	Agricultural yield	All
	Reduced cost of agro-chemical inputs	
	Additional Farm Income \$ Value	
	% Increase in tonnage of produce sourced to buyers	
	% Increase in FPO profits, ability to reinvest in business	All
	Number of FPOs adopting recommended standard business practices	All
	% increase in farmer's focus crop income	All
	# of FPOs that have ecosystem linkages	All
	% of women benefitting from FPO participation	All
	Increase in women's participation in FPO decision making	All
	% of the registered women farmers reporting gaining access to new market channels	All
	Farmer Income % Change	All

Social		
Support Responsible Recruitment	Adoption of Employer Pays Principle (EPP)	All
	Worker's personal documents are not withheld	
Support Communities/ Equity	Resilience of local indigenous peoples and communities	All
	% of women reporting increased participation in household decision making	
	# of targeted households citing at least two benefits of consuming nutritious food	All

## How Will We Measure Progress?

We ask our suppliers to report information through Project Gigaton, allowing us to convert this data to the form of area (acres/square miles). We want to make this as simple as possible, while still working towards improved accuracy and transparency. We recognize that in some cases we will need to calculate an estimate of acres/square miles covered by standards and practices today in an imperfect way due to the science and measurement tools not yet developed or mature to the place for complete accuracy. As technologies and measurement frameworks continue to improve, we plan to develop measurement tools suppliers can access and report through the Sustainability Hub and Project Gigaton.