

Walmart 

Walmart
Canada's economic and
social contributions –
Nova Scotia

2023



About this report

Given Walmart's size and scope of operations in Canada, it has a significant impact on the Canadian economy and society. The objective of this report is to demonstrate Walmart Canada's impact— from its purpose and values, to its contributions, which boost the Canadian economy and support communities.

Deloitte Canada was engaged in the preparation of this report. A team of economic and social impact consultants led the modelling exercise to estimate Walmart Canada's economic and social contributions.¹

¹ Please refer to the [Note to Reader](#) on page 23 for more information on the context and limitations of the results presented in this report.



Executive Summary

Study background

Deloitte was engaged by Walmart Canada to assess its **economic and social contributions** in **Nova Scotia**. This assessment included an estimation of **direct, indirect** and **induced** economic contributions in terms of Gross Domestic Product (GDP), labour income, and employment for Canada, individual provinces and as well as for selected communities. Our analysis also included a **pricing analysis** which assessed the relationship between Walmart Canada's presence in major metropolitan areas across Canada and consumer prices. For the social contribution analysis, statistical modelling of community giving data was used to determine Walmart Canada's contributions to several positive socioeconomic **outcomes** in communities across **Nova Scotia**. In addition, **a series of broader socioeconomic contributions were described through research and consultations with** Walmart's key external business and community partners to gather the data for analysis and modelling.

A Snapshot of Walmart Canada's Economic Contributions

In 2018, Walmart Canada's operations and investments contributed...



\$449M in Gross Domestic Product (GDP)



\$294M in labour income



4,000 in full-time equivalent jobs (FTEs)



In addition to the substantial impact to **Nova Scotia's** GDP and employment, Deloitte found **that increasing Walmart's presence in a metropolitan area leads to lower consumer prices**. This is particularly true for health and personal care products and clothing. Overall, one additional Walmart store per 100,000 population lowers overall consumer prices by a substantial 2%

Other highlights:

- **5 FTEs** are sustained in **Nova Scotia** for every million dollars of Walmart sales and investments
- **\$0.51** in GDP is sustained in the **Nova Scotia** economy for every **\$1** of Walmart sales and investment
- Over the 2018-2021 period, Walmart Canada's total economic contribution to **Nova Scotia's** GDP and FTEs grew by an average of 5% annually. The GDP contribution reached more than **\$517M** in 2021 and the number of FTEs created and sustained reached **5,000** during the same year

Executive Summary

A Snapshot of Walmart Canada's Social Contributions

To assess social contributions, Deloitte conducted interviews with Walmart internal stakeholders and its national partners. Walmart's contribution to improved *outcomes* in the community were modelled using publicly available and community giving data provided by Walmart and national partners.

Walmart's social contribution can be categorized through its **business activities**, and **community giving** initiatives.

Key Findings:

- As of 2021, **54% of all associates identify as women**
- Over the past three years, Walmart has delivered almost **9.3 million hours** of career related skills and development training, along with **1000+ management trainings** related to diversity, equity and inclusion (DE&I)
- From 2019-2021, over **\$26 million** in direct funds were provided by Walmart for community giving initiatives, with another **\$75 million** raised by associates and the community through annual fundraising campaigns

Although Walmart's funds went towards many impact areas, this study focuses on how Walmart contributes to improving **health access and equity, disaster preparedness and response**, and **food security** in Nova Scotia, and across Canada.

Key findings across Canada*



>**CA\$200 million** directly to the community through donations and fundraising



Contributing to improved food security of **~100,000** Canadians in partnership with Food Banks Canada



>**CA\$5.2 million** in community grants distributed to **2,500+** unique organizations



Contributing to **~3,500** less COVID-19 related hospitalizations via the delivery of over **700,000** vaccines

Key findings in Nova Scotia*



>**CA\$3.3M** raised through annual national fundraising campaigns and **\$239,000** provided in community grants



Contributing to improved food security of **3,800+** people in partnership with Food Banks Canada



Contributing to **~170** less COVID-19 related hospitalizations via the delivery of close to **35,000** vaccines

*From 2019-2021



Walmart Canada's Economic Contributions In Nova Scotia

Walmart's Retail Operations in Nova Scotia at a Glance



Walmart Canada operates 18 stores in Nova Scotia, through which it drives several forms of economic and social contribution. Walmart Canada purchased \$50.2M¹ worth of products in 2018² from vendors based in Nova Scotia, which decreased over the 2018 to 2020 period to \$45.7M. On average, over 2018-2020, Walmart Canada in Nova Scotia:³

- Accounts for 5% of Nova Scotia's retail sales
- Directly employs 2,000 full-time equivalent positions (FTEs)

In 2020, Walmart Canada also announced \$3.5B in investments for growth and customer experience transformation over the next five years nationwide.⁵

¹Value is based on selling price.

²This is 2019 Walmart fiscal year (February 2018 to January 2019).

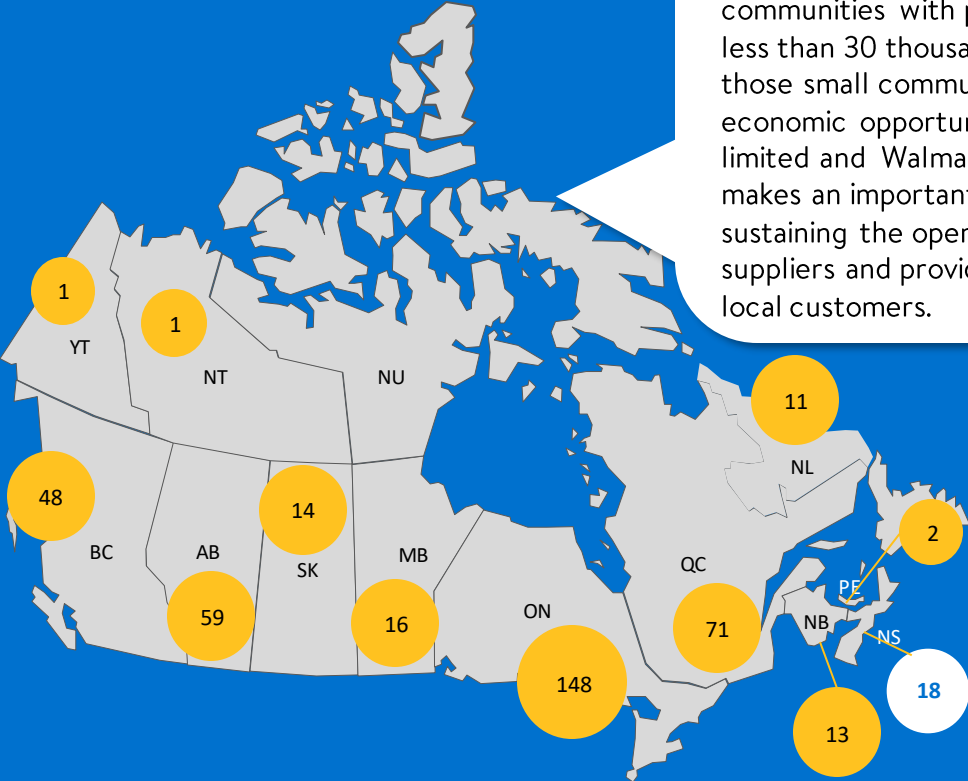
³Data represents 2018-2020 averages. Walmart Canada retail share is calculated using Statistics Canada CANSIM table 20-10-0008 and Walmart sales data.

⁴Estimated using Census 2021 data sourced from Statistics Canada and Walmart Canada data on store locations.

⁵Walmart Canada. [Walmart Canada Announces Major \\$3.5 Billion Investment For Growth And Customer Experience Transformation](#)

Walmart Canada operates stores in all provinces as well as in two territories in Canada

Counts of Walmart stores by province and territory



8 Walmart Canada stores (or approximately 1 in every 2 stores) in Nova Scotia are located in small communities with populations of less than 30 thousand people.⁴ In those small communities, economic opportunities tend to be limited and Walmart Canada makes an important contribution sustaining the operation of its local suppliers and providing choices to local customers.

Walmart Canada's Economic Contribution Modelling Introduction

This section assesses Walmart Canada's annual economic contribution to the Nova Scotia economy from its operations, including its supply chain, as well as from investments.

The economic contribution is estimated using an Input-Output model and represents a total of the contributions at three levels:

- **direct** – contribution from Walmart Canada's operations,
- **indirect** – contribution from Walmart Canada's supply chain, and
- **induced** - contribution from spending of wages and salaries by the employees of Walmart and its suppliers.

Given the heightened uncertainty in the economy, Walmart Canada's economic contribution is estimated for a pre-pandemic year, 2018, but the evidence on the growth in economic contribution in more recent years is provided as well.

Please refer to the accompanying *Methodology Appendix* for a detailed explanation of the model and data sources used in the study



Walmart Canada's Economic Contribution in Nova Scotia, Pre-Pandemic

Total (direct, indirect and induced) impact¹

In 2018,² Walmart Canada's operations and investments contributed...



\$449M in Gross Domestic Product (GDP)³
By comparison, this is larger than the size of Nova Scotia Motor Vehicles and Parts Dealership sector



\$294M in labour income



4,000 in FTEs created or sustained



\$0.51 in GDP sustained in Nova Scotia's economy for every dollar of Walmart sales and investments



5 FTEs sustained in Nova Scotia for every million dollars of Walmart sales and investments

¹Walmart Canada e-commerce sales are not part of the scope of the economic contribution modelling, if they were included the economic contribution estimates would be higher.

²This is 2019 Walmart fiscal year (February 2018 to January 2019).

³Statistics Canada defines GDP as "the total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period." Please refer to the *Methodology Appendix* for more details.



Walmart Canada's Economic Contribution Across Supply Chain in Nova Scotia - GDP

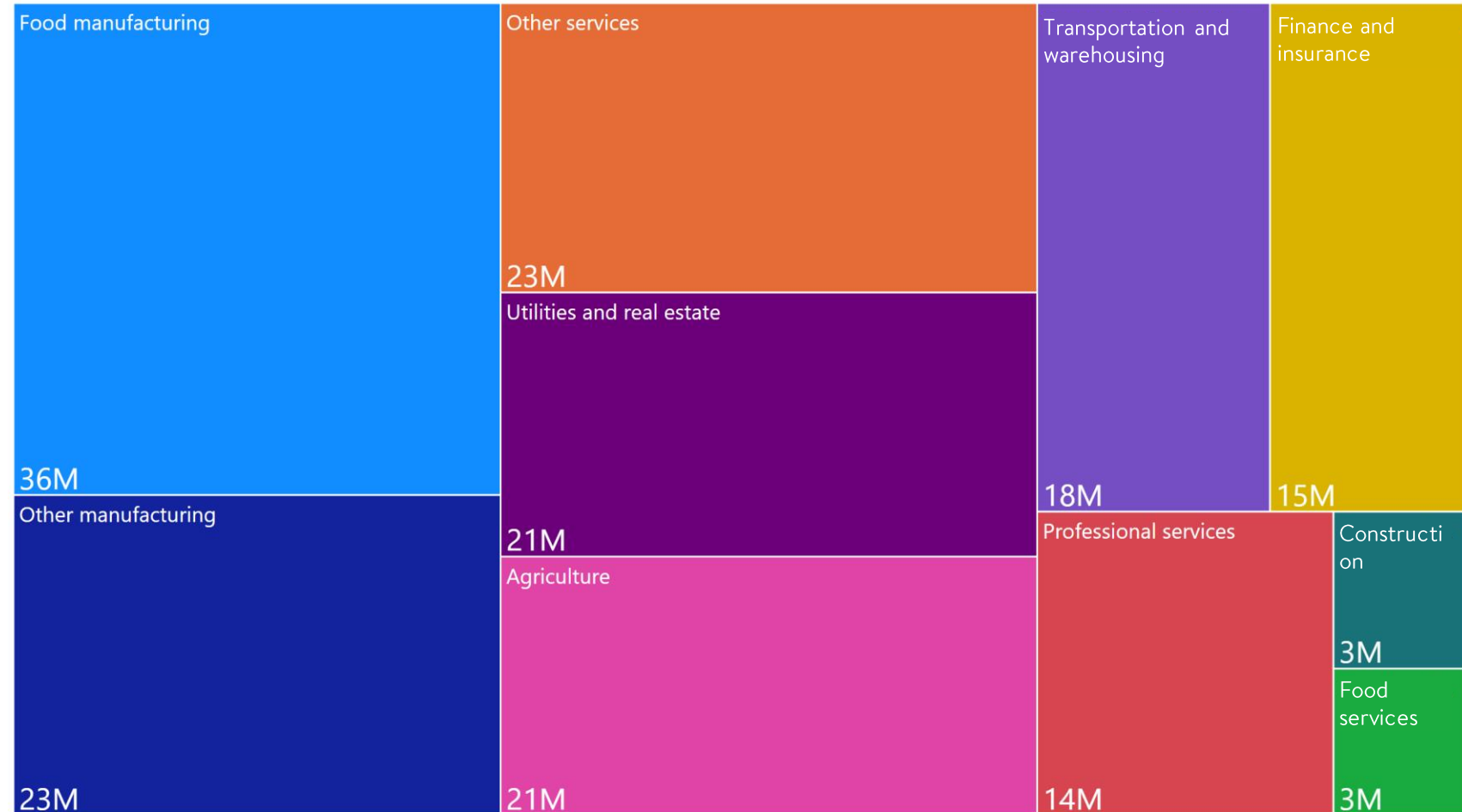
Indirect contribution, by industry

Walmart Canada's operations and investments sustain jobs and GDP in a wide range of industries from manufacturing to professional services and agriculture.

In 2018, Walmart Canada's operations and investments sustained **\$178M in GDP across its supply chain in Nova Scotia**. The top 5 industries where Walmart is able to drive GDP include:

- Food manufacturing : \$36M in GDP
- Other manufacturing: \$23M in GDP
- Other services: \$23M in GDP
- Utilities and real estate: \$21M in GDP
- Agriculture: \$21M in GDP

GDP sustained by Walmart Canada's operations and investments across its supply chain in Nova Scotia, 2018



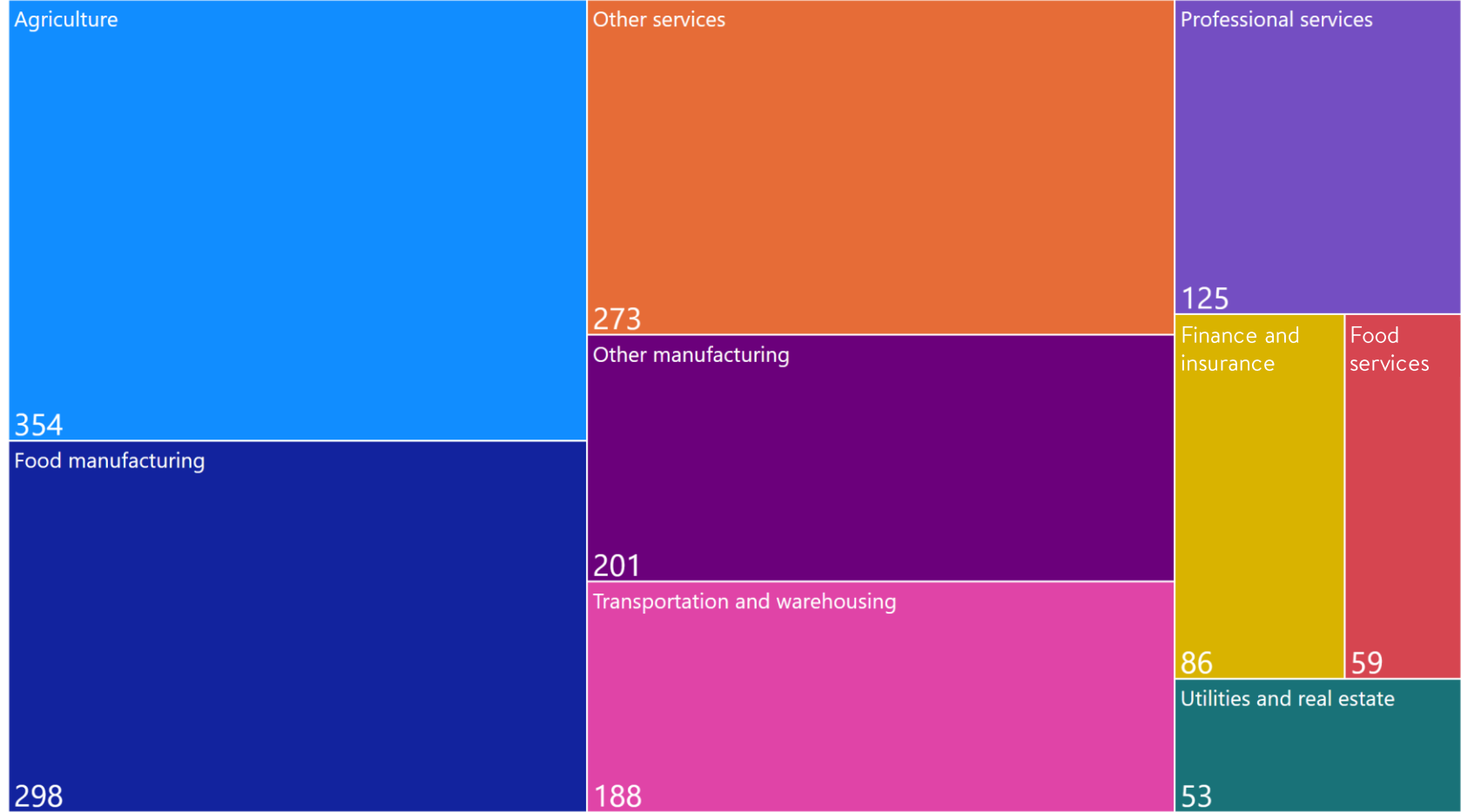
Walmart Canada's Economic Contribution Across Supply Chain in Nova Scotia - FTEs

Indirect contribution, by industry

In 2018, Walmart Canada sustained or created **2 thousand FTEs across its supply chain in Nova Scotia**. The top 5 industries where Walmart is able to support employment mirror in parts the findings on the previous page:

- Agriculture: 354 FTEs
- Food manufacturing: 298 FTEs
- Other services: 273 FTEs
- Other manufacturing: 201 FTEs
- Transportation and warehousing: 188 FTEs

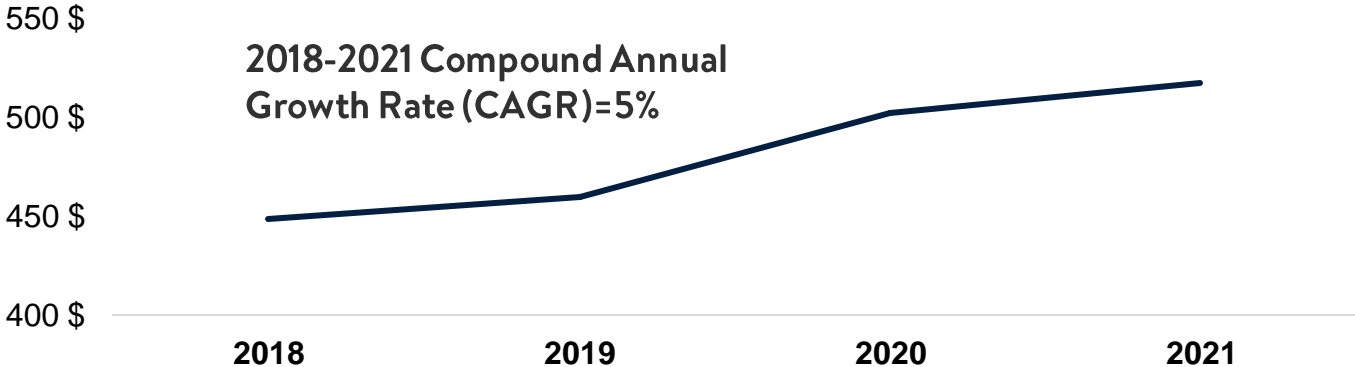
FTEs sustained by Walmart Canada's operations and investments across its supply chain in Nova Scotia, 2018



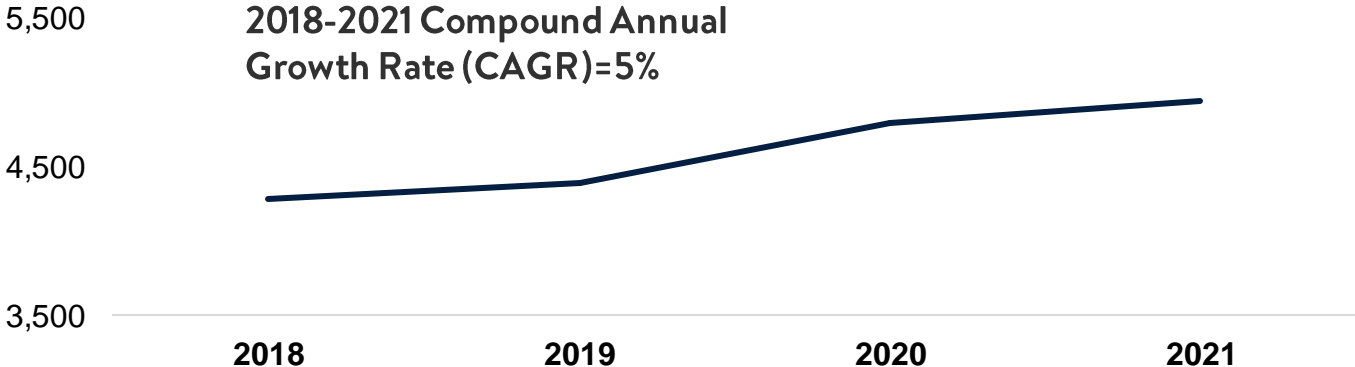
Walmart Canada's Economic Contribution Growth – Nova Scotia

Walmart Canada's Economic Contribution to Nova Scotia's GDP

(\$ million)



Walmart Canada's Economic Contribution to Nova Scotia's FTEs



In recent years, Walmart Canada's economic contribution has been growing along with the growth of its operations and investments. It is estimated that Walmart Canada's total economic contribution to Nova Scotia's GDP grew by 5% annually on average over the 2018-2021 period. This brings Walmart Canada's economic contribution to more than \$517M in 2021 up from \$449M in 2018. Over the same period, the number of FTEs created and sustained by Walmart Canada also grew and reached approximately 5,000 in 2021.



Walmart Canada's Social Contributions in Nova Scotia

Walmart Canada's Social Contributions

Walmart is committed to making a positive impact on the communities in which it operates.

The importance of corporations giving back to the communities in which they operate cannot be overstated. It is imperative that companies **operate in an ethical and sustainable way**, taking careful consideration of the **community, environment, and society**.

Trends observed in recent studies:



67% of young professionals prefer to work for “socially inclined” companies¹, and a company’s purpose being tied to social contribution is a key driver to improve employee engagement and loyalty.²



Consumer goods make up **70%** of the average shoppers’ sustainable purchasing



4 in 10 shoppers say they choose sustainable goods often or whenever possible.³

Part of Walmart’s corporate mission is to **build a better world** – helping people live better and renew the planet while building thriving, resilient communities. This means making meaningful and positive social impact for associates, customers and the broader communities where Walmart operates, through both **business activities** and **community giving**.



Business Activities

- Providing affordable prices
- Providing quality jobs
- Training and career paths
- Investing in the local community
- Investing in local suppliers
- Contributing to the local tax base



Social Contributions

Community Giving

- Annual national fundraising campaigns
- Community and regional grant programs
- Direct charitable contributions
- Donations of space

¹Nielsen, 2014. “CONSUMERS SAY THEY CARE, BUT DO THEIR ACTIONS FOLLOW?” *Global Corporate Social Responsibility Report June 2014*

²Lamar University, 2022. “The Increasing Importance of Corporate Social Responsibility.” *Corporate Social Responsibility*

³Barb Renner and Justin Book. Deloitte US, 2021. “Consumer sustainability tops the innovation agenda”. *Perspectives*

Modelling Walmart Canada's Social Contributions

To assess social contributions, Deloitte received community giving data¹ and conducted interviews with Walmart internal stakeholders and national partners.²

Outcome-level impacts were determined from inputs (i.e., *Walmart's charitable contributions*) and outputs (i.e., *benefits to the community that result from inputs*) using established proxies provided by national partners and by modeling Walmart's contribution to improved outcomes using community giving and publicly available data.³

Walmart Canada's contributions towards social outcomes should be considered estimates, as other factors (e.g., contextual) may have also contributed to the results achieved. Social contributions are estimated based on the total attributable amount of money and resources provided to community and national partners. Deloitte relied on data collected and provided by national partners.

Please refer to the accompanying *Methodology Appendix* for a detailed explanation of the model and data sources used in the study.

¹ Includes data on providing economic opportunity, direct donations from Walmart to the community, fundraising, Walmart's grant program and more.

² Refers to Breakfast Club of Canada, Canada Children's Hospitals Foundation, Canadian Red Cross, Food Banks Canada, and the Salvation Army.

³ Walmart Canada's social contributions were measured with guidance from the [London Benchmarking Group Model](#).



Walmart Canada's Social Contributions

Deloitte conducted a study of Walmart's social contributions from 2019-2021, with key results below. Across Canada, Walmart's impact includes:



Over **CA\$200 million** in donations through community giving:



~\$100 million worth of in-kind goods



>\$26 million in cash¹



~\$75 million fundraised at-till



Contributing to **improved food security** for almost **100,000 Canadians** through **45 million meals donated**



9,282,981 hours of career-related skills training and **1,041** management DE&I trainings



Contributing to ~3,500 less hospitalizations through the delivery of **713,178 COVID-19 vaccines**



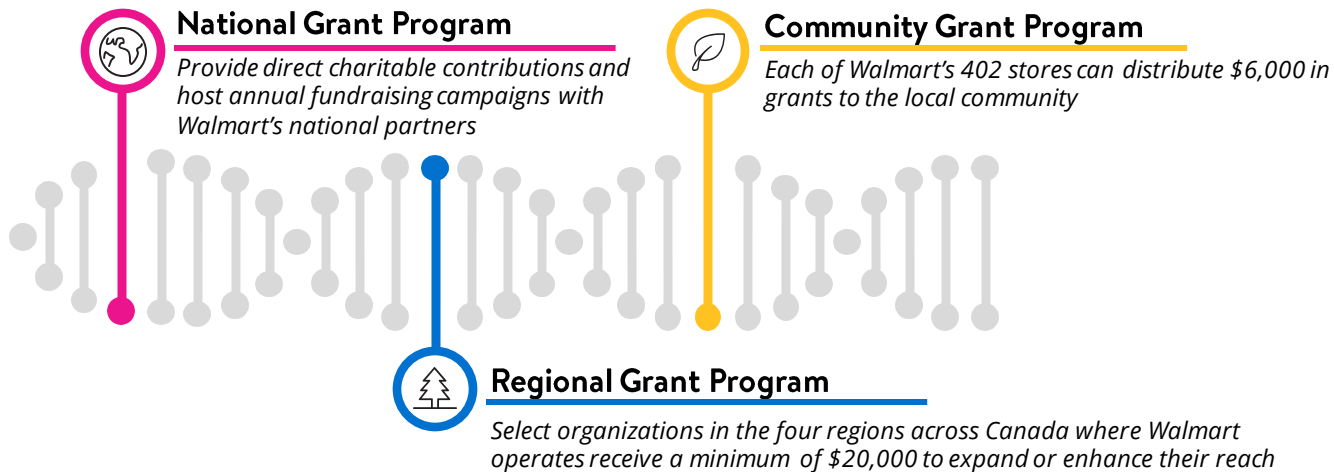
¹ Composed of contributions from the national, regional and community grants and other community giving capital projects

Walmart Canada's Social Contributions: Community Giving

Walmart recognizes the importance of giving back to Canadian communities.

Fostering roots with big and small organizations across Canada through national, regional and community grants make up the DNA of Walmart's community giving.

Walmart Canada's National Grant Program is in collaboration with national partners – **Breakfast Club of Canada, Food Banks Canada, Canada Children's Hospitals Foundation** and the **Canadian Red Cross** – who received over **CA\$15 million** from 2019-2021. In 2021, the Regional Grant Program was introduced, awarding a total of **CA\$500,000** to **19 high-impact organizations** across Canada. From 2019-2021, over **CA\$5.2 million** was distributed through the Community Grant Program, an ongoing initiative that offers all Walmart stores the ability to provide financial support to community-based organizations.



EXAMPLES OF WALMART ASSOCIATES GIVING BACK

Walmart is committed to building and supporting strong communities, while inspiring associates to give back.

Associates are the **foundation** of Walmart's community giving and service. Every year, associates from each of Walmart's 402 stores come together to give up to \$6,000 to local organizations. Associates play a critical role in annual national fundraising campaigns for Walmart's national partners. The resounding success of these fundraising drives would not be possible without associates coming together with their communities to raise money and awareness for important causes.

The positive effects are further compounded when stores come together to coordinate their donations to a common organization or charitable purpose.

“

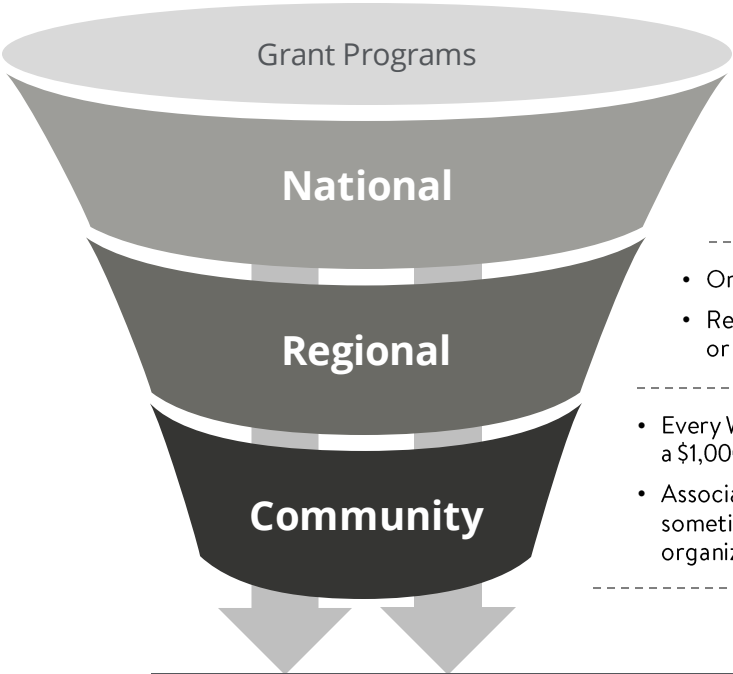
The grant program is a big part of employee engagement and helps create a sense of community.

– Regional Operations Assistant

”

Giving Back to Canadian Communities

Walmart partners with organizations eager to make a positive change in the local communities in which it operates.

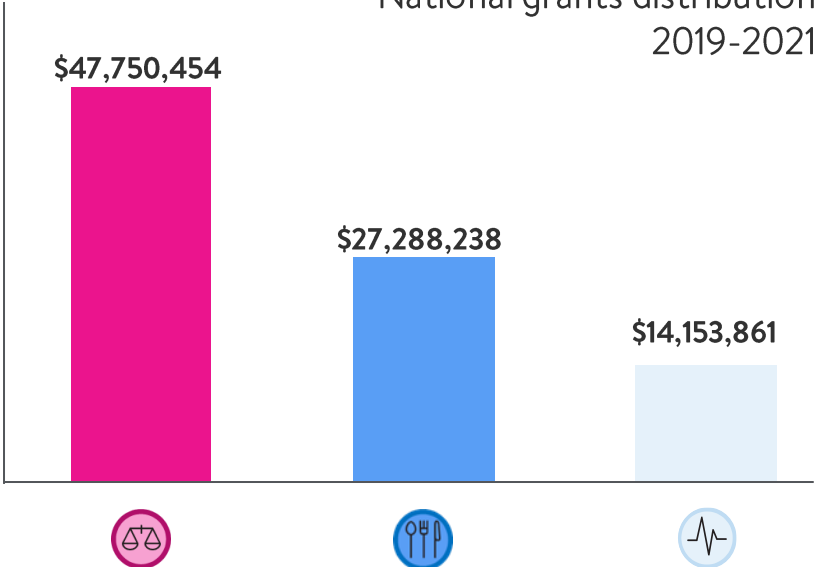


- Grant Programs
- National
- Partnerships with Food Banks Canada, Breakfast Club of Canada, Canadian Red Cross, Canada Children's Hospitals Foundation
- Direct charitable contributions and annual national fundraising campaigns

- Regional
- Organizations can operate on a local, regional or national level
- Recipients receive a minimum of \$20,000 for their operations or to promote special programs

- Community
- Every Walmart store selects up to six local organizations to receive a \$1,000 grant
- Associates help to choose grantees, and stores within a region will sometimes collaborate and provide multiple grants to the same organization to amplify impact

National grants distribution 2019-2021

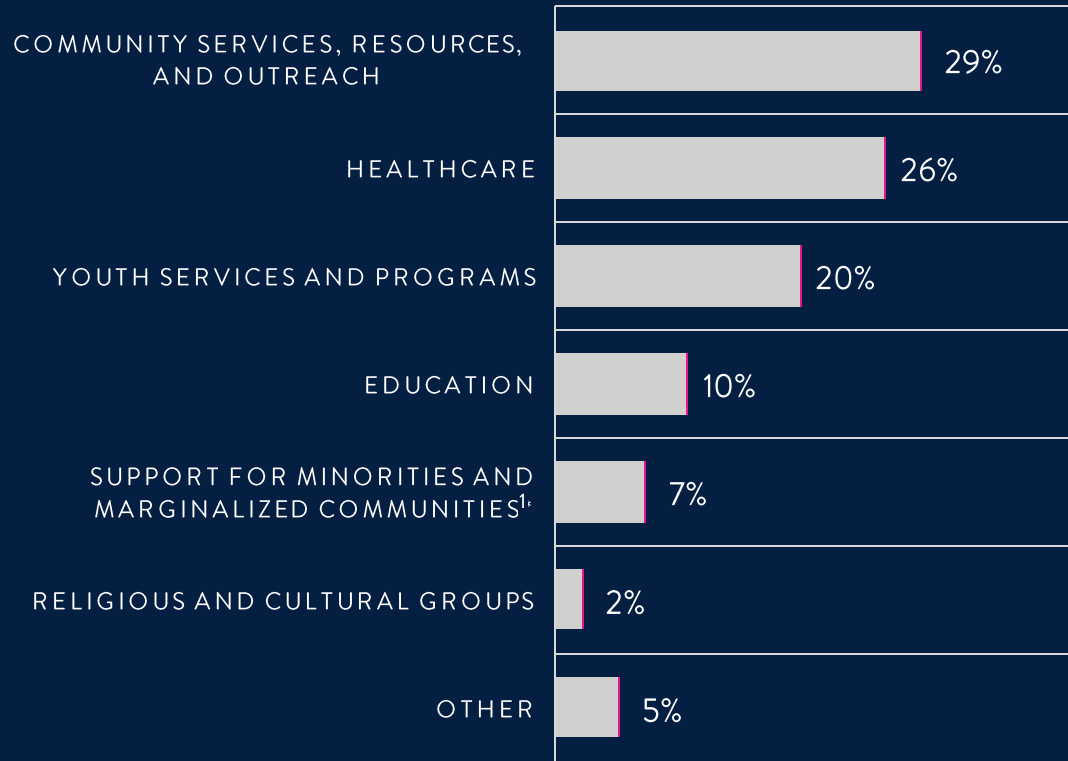


Health Access and Equity		▶▶▶ Commitment to improve patient outcomes and increased access to healthcare services for underserved and marginalized groups
Food Security		▶▶▶ Commitment to ensure that all Canadians always have access to enough food for an active, healthy life
Disaster Preparedness and Response		▶▶▶ Commitment to prepare Canadians for possible disasters, and to provide aid to those in need in the face of disaster or conflict



Spotlight: Community and Regional Grant Program in Nova Scotia

Breakdown of community and regional grants in Nova Scotia.



¹ Includes women

² Includes general community services or supports, services for families, adults, seniors and veterans, recreation, employment services, organizations involved in community outreach, and community-related fundraising

³ Includes all youth-focused services and programs, organizations involved in child and youth development, athletics, camp, and cadets

Through the Community Grant Program, Walmart can support local causes that associates care about. Stores and associates encourage eligible organizations in their communities to apply for the grant, fostering strong ties and forming partnerships at the local level.

From 2019-2021, the impact in Nova Scotia included:



CA\$239,000 in grants was distributed



111 unique organizations supported



85% of funds went towards high impact areas of Community Services, Resources, and Outreach², Healthcare, Youth Services and Programs³, and Education

Introduced in 2021, the Regional Grant Program distributed **\$500,000** to 19 organizations working in key impact areas:

Healthcare	32%
Housing for All	32%
Support for Minorities and Marginalized Communities	21%
Community Services, Resources, and Outreach	11%
Protecting Animals and the Environment	5%

In Atlantic Canada (which includes Newfoundland and Labrador, New Brunswick, Nova Scotia, and P.E.I.), two organizations received a total of **CA\$125,000** to run programs spanning the building of safe and affordable housing to improve health, safety, child development, and opportunities, as well as fostering goodwill for children with serious illnesses.

Health Access & Equity

Walmart contributes to the well-being of local communities and helping people in Nova Scotia live better.

Walmart is working to provide affordable, accessible and human-centered care to associates and the community. Since 2006, Walmart has **opened 76 medical centres** in partnership with Jack Nathan Health to provide high quality healthcare services such as family medicine, walk-in care, rehabilitation and medspa services. These investments in community health support healthcare delivery and achievement of broader public health goals in Canada.

From 2019-2021, Walmart was the **largest private contributor to children's hospitals** in Canada, with **\$4.17 million** donated and **\$47.43 million** fundraised by associates. In partnership with Canada's Children's Hospitals Foundation (CCHF), Walmart's funds raised are undesignated, meaning that the **14 children's hospitals** across the country can use the funds where they are needed most. Since 2019, Walmart stores have helped the community access healthcare:

1,300 certified pharmacists

in Walmart's national network of **in-store pharmacies** that provide Canadians with more affordable access to vital medication

Across Canada

via Jack Nathan Health Centres and pharmacies

▶ 77,216,810 Prescriptions filled



CA\$23.17 million

Customer savings on drug dispensing fees³

In Nova Scotia

▶ 681 Free diabetes health screenings

▶ 15,719 Flu shots administered



490 People avoided getting sick from the flu^{1,2}

via partnership with CCHF

▶ 2,931,900 In-person and virtual visits



75,559 Surgeries performed

▶ 10,259 Research papers published



4,140 Clinical trials performed



Over the last three years, Walmart associates in Nova Scotia raised **\$1.82 million** to support critical activities at the **IWK Foundation For Children.**



Working with CCHF to give Maritime youth more of their childhood back

It's through dynamic research and discovery that CCHF will revolutionize the treatment and care of Canada's children. From benchwork research to clinical trials, CCHF hospitals are working hard to discover new treatments, cures and innovations.

- IWK Health Centre implemented the Nova Scotia **Hip Surveillance Program** for Youth with Cerebral Palsy

Providing the right care, in the right place, at the right time requires accurate diagnosis, highly effective treatments and care, and the flexibility to support children and their families within hospitals and beyond. Walmart's donations are helping CCHF hospitals to create child- and family-centered environments.

- IWK Health Centre implemented Translating Emergency Knowledge for Kids (TREKK) tools and resources, a knowledge mobilization network that aims to improve emergency care for children across Canada and provide free online resources for parents

IWK Foundation is also working to create **healing environments** with child-friendly facilities and equipment that have the sensibilities of kids and their families at the heart of the design.

¹ Centers for Disease Control and Prevention, 2021, [US flu VE data for 2019-2020](#).

² Centers for Disease Control and Prevention, 2022, [Key facts about influenza \(flu\)](#).

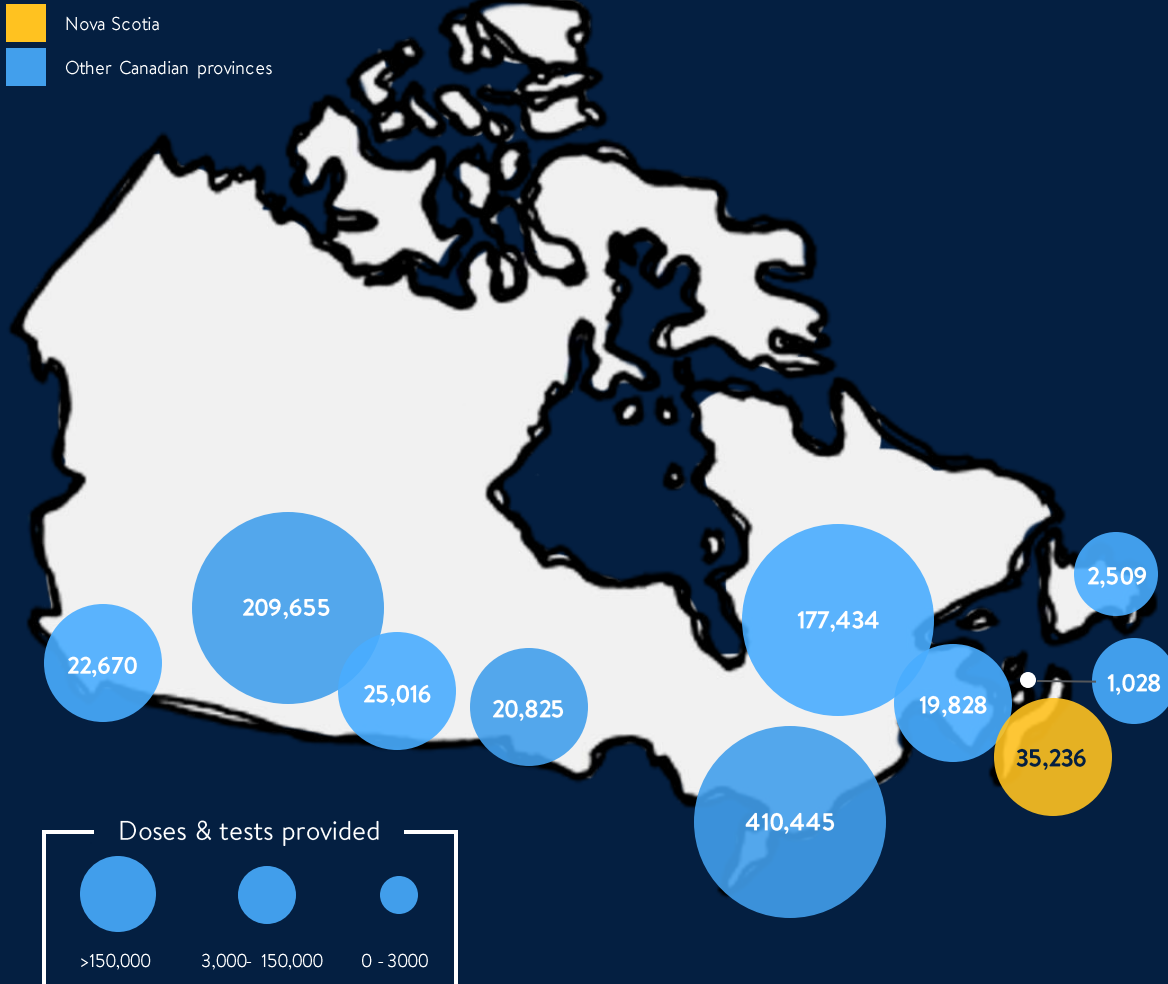
³ Fireman, Bruce, Janelle Lee, Ned Lewis, Oliver Bombom, Mark van de Laan and Roger Baxter, 2009, [Influenza vaccination and mortality: Differentiating vaccine effects from bias](#), *American Journal of Epidemiology* 170(5); 650-656.

⁴ MoneyGuide.ca, [Consumer surveys – Rates and fees](#), *Drug dispensing fees*.



Spotlight: Walmart's COVID-19 Pandemic Response in Nova Scotia

Since the start of the COVID-19 pandemic, Walmart has helped to meet urgent needs in Nova Scotia and across Canada.



In 2021, Walmart stores and health centres in Nova Scotia supported via:



34,913
COVID-19 vaccines administered



323
COVID-19 tests distributed in store and at home

Contributing to:



33,516
People protected against severe disease¹



171
Hospitalizations avoided²

Walmart implemented strategies to create an environment in which customers feel safe to shop during the pandemic. Through measures such as restricted shopping hours, enhanced cleaning, mandatory face coverings, contact-free services, and daily health checks for associates, **most customers surveyed** agree that Walmart is a **safe place to shop** and **feel strong trust** in Walmart as an organization.

¹ Based on weighted average for vaccine efficacy of 96% of doses administered in Canada (Pfizer, Moderna, AstraZeneca) to prevent severe disease progression.
² Based on statistical modelling of the Δ hospitalization between vaccinated and unvaccinated of those that received two doses of vaccination at Walmart sites. Please see the Methodology Appendix for more details on modelling employed.

Responding to Food Insecurity

Walmart is working to ensure that all Canadians have access to enough food for an active and healthy life.

Walmart Canada offers some of the lowest prices among Canadian retailers – providing **everyday low prices** is one way that Walmart is improving Canadians’ access to healthy and affordable food.

Community giving is another way that Walmart is combatting food insecurity across Canada. In partnership with Food Banks Canada, Breakfast Club of Canada and Salvation Army, Walmart has provided more than **\$7,139,000** in funds for vital programs for at-risk youth and food insecure households. Associates have distributed an additional **\$226,000** to local organizations promoting food security through community- and regional- level grants.

Across Canada

By tackling food insecurity in communities

▶ **45,000,000** Meals donated



97,912

Number of Canadians with improved food security from 2019-2021¹

By creating a nurturing environment where children can flourish

▶ **513,489** kids reached per day through breakfast programs



313,228

Kids with improved academic performance¹



446,735

Kids with improved mental well-being¹



451,870

Kids with reduced incidence of malnutrition¹

In Nova Scotia



3,807

People with improved food security from 2019-2021¹



\$202,976

For increased food access in communities with a higher-than-average portion visible minorities, Indigenous peoples and low-income households²



¹ Figures are presented as a total to which Walmart contributed towards; are not proportionately adjusted to Walmart’s contribution. Please see the Methodology Appendix for more details on modelling employed.

² Low-income households as defined by the [Low Income Measure](#)

Disaster Preparedness and Response

Walmart is working to prepare Canadians for possible catastrophes, and to provide aid to those in need in the face of a disaster or conflict.

Strong communities are resilient in the face of unexpected changes, such as natural disaster. Walmart aims to effectively prepare for and respond to disasters, with a focus on associate safety and recovery of business operations to serve the needs of its communities. Walmart's strong partnership with the Canadian Red Cross has continued to help communities across Canada **create awareness of disaster preparedness**. Since 2003, Walmart associates and customers have directly raised over **\$60 million** for Red Cross disaster preparedness and relief efforts.

Every year the Red Cross responds to approximately 3,000 disasters – ranging from natural disasters to house fires. With the cost of natural disasters increasing every year since the start of the decade¹, it is important communities in Nova Scotia and across Canada are **prepared to respond** and support the most vulnerable members of the community during times of crisis. From 2019-2021, Walmart has helped the community prepare for and respond to disasters:

Across Canada

- ▶ **CA\$13,813,860**
Raised and donated to domestic and international disaster response and recovery
- ▶ **CA\$37,690**
Value of goods donated for disaster preparedness and response.
- ▶ **CA\$2,822,169**
Purchasing support for disaster relief



207,100

Beneficiaries supported financially following a disaster²

2,495

Businesses supported financially following a disaster²

Associates in Action

During an annual month-long campaign, Walmart associates work put in a tremendous amount of effort to help **raise funds** for the Canadian Red Cross. Fundraising and volunteering provide meaningful ways to **connect** with the community and **professional development** opportunities. Support from Walmart, its associates, and customers is vital to the Red Cross's ability to **respond** to crises as more frequent and complex emergencies arise.



“Every dollar donated matters to help people recovering from disasters. In addition, donating spreads love and empathy in the community”

– Ha Vu, Red Cross Walmart Ambassador

¹Belmonte, L. More natural disasters mean more money. [Natural Disasters In Canada Cost The Government \\$430 Million A Year On Average](#)

²Figures are presented as a total to which Walmart contributed towards; are not proportionately adjusted to Walmart's contribution.

Note to Reader

The results presented within this document have been provided to Walmart Canada for the purpose of assessing the socio-economic contribution of Walmart Canada's operations and investments to the economy of Canada and to the economies of selected Canadian jurisdictions.

This study does not represent a cost-benefit analysis for Walmart Canada or any other stakeholder and does not represent a comparison of the potential socio-economic impact of Walmart Canada's operations and investments to the potential impact of an alternative use of resources.

Deloitte LLP ("Deloitte" or "Deloitte Canada") does not assume any responsibility or liability for losses incurred by any party as a result of the circulation, publication, reproduction or use of this initial analysis contrary to its intended purpose.

This analysis has been made only for the purpose stated and shall not be used for any other purpose. No party other than Walmart Canada is entitled to rely on this analysis for any purpose whatsoever and Deloitte accepts no responsibility, liability, or duty of care to any party other than Walmart Canada.

The analysis is provided as of September 7, 2022, and Walmart disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this analysis, which may come or be brought to Walmart's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the analyses after the date hereof, Walmart reserves the right to change or modify the analysis but are under no obligation to do so. Observations are made on the basis of economic, industrial, competitive and general business conditions prevailing as at the date hereof. In the analyses, assumptions have been made with respect to the industry performance, general business, and economic conditions and other matters, many of which are beyond Walmart's control, including government and industry regulation.

The full extent of the ongoing COVID-19 pandemic's impact on the economic outlook remains uncertain. It is, therefore, important for readers to consider that the analysis is based on third-party data (e.g., economic and industry data) up to September 2022 and does not include any consideration of the likely economic impact of either COVID events or the related fiscal stimulus measures.

The assessment of social contribution (except the Associate Scholarship Program, for which primary data was collected through an online survey) relies on data provided by Walmart Canada, its national partners, and publicly available data. Deloitte did not conduct independent validation of data received from Walmart Canada or its national partners. Walmart Canada and national partner information used in the assessment was taken as reported. The data provided spans the time period of January 2019 to December 2021.

The assessment of social contribution did not take an experimental approach using counterfactuals. Counterfactual analysis is a comparison between what happened and what would have happened in the absence of the intervention. Due to data limitations, a counterfactual approach was not possible at the time of the assessment.

Walmart Canada's contributions towards social outcomes should be considered estimates, as other factors (e.g., contextual) may have also contributed to the results achieved. Social contributions are estimated based on the total attributable amount of money and resources provided to community and national partners.

No opinion, counsel, or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been, or will be, obtained from the appropriate professional sources. To the extent that there are legal issues relating to compliance with applicable laws, regulations, and policies, Walmart assumes no responsibility therefore.

Deloitte's analyses must be considered as a whole and that selecting portions of the analyses, or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the issues related to the report. Amendment of any of the assumptions identified throughout this report could have a material impact on Deloitte's analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided not be factual or correct, Deloitte's analyses, as expressed in this report, could be significantly different.

Walmart 
Walmart Canada's
economic
and social contributions

Nova Scotia
2023
APPENDIX



Economic Contribution Analysis Methodology

This study estimates *direct*, *indirect* and *induced* economic contribution in terms of value-added (GDP), labour income and employment

1 Direct contribution

Directly associated with Walmart Canada capital investments and operating expenditures. For example, employment of staff at Walmart Canada offices and sites, salaries and wages paid to Walmart Canada employees, and economic value-added from Walmart Canada own operations.

2 Indirect contribution

Associated with the economic contribution of suppliers to Walmart Canada due to demand for goods and services arising from Walmart Canada activities. For example, economic activity stimulated in the manufacturing, construction, transportation and professional service sectors among others.

3 Induced contribution

Associated with the spending of wages and salaries earned as a result of Walmart Canada activities and stimulated activity of suppliers to Walmart Canada. For example, purchases of household goods and services by employees of Walmart Canada.

We measure the economic contribution in terms of:



Value-added (Gross Domestic Product)

A measure of “the total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period.”¹



Labour income

The total earnings of employees consisting of wages and salaries, as well as supplementary labour income (e.g., employers’ contribution to pension, employment insurance and worker compensation funds).



Employment

Full-time equivalent (“FTE”) positions.

1. Statistics Canada. Glossary.

Economic Contribution Analysis Methodology (Continued)

Input-Output Models

- Input-output (“I-O”) models are used to simulate the economic impact of an expenditure on a given basket of goods and services or the output of an industry. Input-output analysis uses data on the flow of goods and services among various sectors of the economy, and models how an expenditure, increase in demand, or investment ripples through a region’s economy. This is done by mapping the production of products and services by each industry, and identifying the intermediate inputs used in the production of each final product or service used by consumers, exported, or purchased by government.
- The model can then aggregate all of the employment and value-added impacts generated in the supply chain as commodities are produced. I-O models also consider the role of international imports, which tie the supply chain to the global economy, and the role of interprovincial imports, which tie the supply chain to the economies of other provinces. This data is combined into a single model of the economy which can be solved to determine how much additional production is generated by a change in the demand for one or more commodities or by a change in the output of an industry.

Input-Output Modelling: National, Provincial and Community Impacts

- Using Deloitte’s Input-Output model, national impacts were calculated based on sales by department. This takes into account retail and transportation margins and assesses the impacts of Walmart sales on producers and services providers. The results are translated into GDP, labour income and jobs.
- Province-level impacts are estimated using provincial models which take into account trade flows between provinces. Consequently, provincial impacts include the production due to sales in that province as well as to stores located in other provinces which result in inter-provincial shipments of products.
- Community-specific impacts are shared out from provincial impacts based on location of producers. For each detailed industry and community, Deloitte used 2016 Census data on employment to assess the share of provincial industry production that is based in that community. These shares are applied then to province-level impacts and combined across industries to estimate total provincial impacts for each reported metric (GDP, labour income and FTEs). Community-level impacts therefore capture the impact from local Walmart stores in that community as well as the impact through national supply chains.

Economic Contribution Analysis Methodology (Continued)

Assumptions and Limitations of Modelling

- The Input-Output model is subject to a number of general assumptions and limitations. The model reflects a simplified macroeconomic structure, and does not include some variables of interest for macroeconomic analysis such as interest rates or unemployment rates. The model assumes that the Canadian economy has the capacity to produce the goods and services stimulated by the economic shock. The model is not able to forecast situations in which demand may outpace the capacity to produce the required goods and services, however it does estimate the portion of goods and services sourced from other provinces in Canada and internationally. The model makes a basic underlying assumption that the number of jobs created maintains a linear relationship with gross output and that technologies are fixed. The model also assumes that prices of products do not change in response to higher demand.

1. Statistics Canada. Industry Accounts Division. Provincial Input-Output Multipliers, 2014. Catalogue no. 15F0046XDB.

Pricing Analysis Methodology – Effect of Walmart on Consumer Prices

Deloitte modelled the relationship between Walmart’s presence in 11 Census Metropolitan Areas (CMAs)¹ and consumer prices.² This assessment was performed through the development of an econometric model, using quarterly data from 2001 to 2019, that assessed the impact of an additional Walmart store per 100,000 population on the corresponding CMA’s inter-city index of price differentials of consumer products³. The categories of consumer products analyzed include: (1) All-Items, (2) Food Purchased from Stores, (3) Clothing and Footwear, and (4) Health and Personal Care Products.

The following econometric specification was estimated:

$$\log(\text{Consumer Price}_{j,CMA,t}) = \alpha + \beta \text{Walmart presence}_{CMA,t} + \gamma \text{Imp_Price_Index}_{j,t} + \delta \text{Pmzoil}_t + \mu \text{Ogap}_t + \varepsilon$$

in which superscripts correspond to,

- $j \in \{\text{All-Items, Food Purchased from Stores, Clothing and Footwear, Health and Personal Care Products}\};$
- $CMA \in \{\text{St. John’s, Charlottetown and Summerside, Halifax, Saint John, Montréal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver}\}$
- $t \in \{1Q2001, 2Q2001, 3Q2001, 4Q2001, 1Q2002, \dots, 4Q2019\}$

and variables are as follows,

Consumer Price_{j,CMA,t}	is the relevant inter-city index of price differentials for category of consumer products <i>j</i> in metropolitan area <i>CMA</i> in time <i>t</i> ;
Walmart presence_{CMA,t}	are the number of Walmart stores per 100,000 population in metropolitan area <i>CMA</i> in time <i>t</i> ;
Imp_Price_Index_{j,t}	is the National Import Price Index for category of consumer products <i>j</i> in time <i>t</i> ;
Pmzoil_t	is the National Import Price Index for relevant commodities in time <i>t</i> ;
Ogap_t	is the National Output Gap which captures overall price pressures in the economy in time <i>t</i>

1. The CMAs are St. John’s, Charlottetown and Summerside, Halifax, Saint John, Montréal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, and Vancouver.
2. In undertaking this analysis, Deloitte relied on financial and operational data provided by Walmart. The results of Deloitte’s analysis are subject to the general qualification that the data provided is accurate and reliable; Deloitte has not independently validated this data.
3. A spatial index that measures the price differences of specific categories of consumer products across CMAs. Source: Statistics Canada Table 18-10-0003-01.

Social Contribution Analysis Methodology

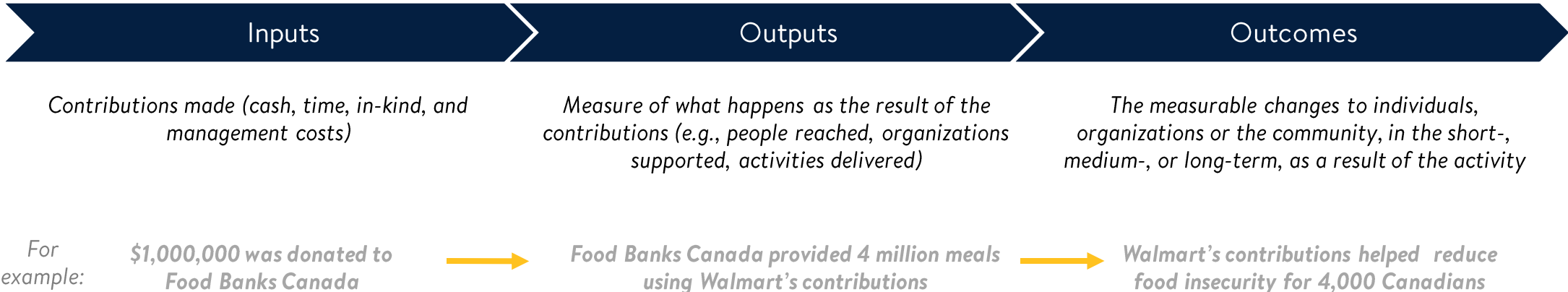
Deloitte modelled Walmart’s social contributions in Canada to estimate Walmart’s contribution towards positive outcomes.

Data Sources for the Modelling Methodology

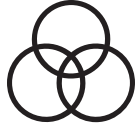
- Walmart’s community giving related data: *Walmart’s internal tracking of cash, in-kind donations, total fundraised for national partners, supporting expenses and capital projects, grant program data, relevant internal policies and programs, etc.*
- Data received from Walmart Canada’s national partners: *Deloitte requested data from Walmart’s national partners based on metrics tracked by organizations released in their annual reporting. National partners were asked to provide data at the input, output and outcome level.*
- Literature review: *Publicly available data used in the reporting or inputted into the modelling as variables (see slides 7 and 8 for more details on modelling employed).*

Introduction to the Modelling Methodology

Deloitte utilized a modelling methodology with guidance from the [Theory of Change \(ToC\)](#) framework and the [London Benchmarking Group \(LGB\) Model](#) in order to illustrate the difference that an organizations’ contributions make to business and society. The model considers investments or resources for the community as *inputs*, and then links that investment to outputs and outcomes. *Outcomes* are the (un)intended changes experienced as a result of an intervention, and *outputs* refer to the immediate effects of results of the investment or resources (can be seen as indicators towards outcomes).



Limitations of the Social Contribution Analysis Methodology



The calculated outcomes in the reporting cannot be fully attributable to Walmart's contributions, as they were achieved through multiple factors by several actors and conditions. Walmart is not the sole donor for its national partners, and, for some partners, funds received from Walmart are undesignated to be used on an as-needed basis. Moreover, the modelling methodology does not follow strict experimental guidelines (*such as a separation of a control and treatment group*) and therefore does not build on a baseline before Walmart's intervention. Outcomes in the report should be treated as an estimation based on Walmart's monetary contributions to the community and national partners.



Deloitte relied on data submission from Walmart's national partners. A high-level review for consistency and coherency was performed including clarification sessions with some national partners, however no in-depth validation of the data collection and tracking methodology used by the partners was performed. Analysis of the received data is dependent on the quality and accuracy of data provided by partners.

Social Contribution Analysis Methodology

Data Model	Overview of Methodology	Assumptions/Data Sources
<p>Pandemic Response</p>	<ol style="list-style-type: none"> Used public health information data from the Government of Canada on incidence % of COVID-19 infection amongst double vaccinated individuals to determine the number of individuals vaccinated at Walmart who potentially were infected by COVID-19 Using public health information from the Canadian government, determined COVID-19 mortality and hospitalization rates of unvaccinated and vaccinated individuals Determined the Δ COVID-19 mortality and hospitalization rate between unvaccinated and vaccinated individuals using public health information on number of COVID deaths/hospitalizations against number of cases (depending on vaccination status). Calculation shown below also applies to Δ hospitalization rate. $\Delta \text{ mortality rate} = (\text{mortality rate of unvaccinated}) - (\text{mortality rate of vaccinated})$ $\text{mortality rate based on vaccination status} = \left(\frac{\text{Number of deaths}}{\text{Number of cases}} \right)$ Calculated estimated lives saved and hospitalizations avoided by multiplying the Δ COVID-19 mortality and hospitalization rates by the estimated number of individuals vaccinated at Walmart who were infected by COVID-19 	<ul style="list-style-type: none"> Individuals receiving Walmart vaccines received two doses Population of Canada used in calculations is from Stats Can as of April 2022 Number of COVID Deaths and incidence % used in calculations is as of June 2022 Δ deaths and hospitalizations by vaccination status is based on PHAC case-level vaccine history data for 74.2% (n=2,259,339) of COVID-19 cases aged 5 years or older; same study used for the incidence of COVID infection in double vaccinated individuals Incidence, Death and Hospitalization rates are fixed across provinces based on derived calculations
<p>Flu Response</p>	<ol style="list-style-type: none"> Calculated the estimated number of people received a flu vaccine at Walmart who were subsequently exposed to the virus using influenza incidence rates from the CDC Using vaccine effectiveness data from the CDC, estimated the number of people who avoided getting sick from the flu because of vaccination through Walmart Calculated flu-related deaths avoided by multiplying the estimated number of people who were vaccinated at Walmart and exposed to the flu by the Δ influenza mortality rate 	<ul style="list-style-type: none"> Incidence of influenza A or B based on median incidence of the flu across all age groups from CDC data End of season influenza vaccine effectiveness for all vaccine types based on data from the CDC Influenza mortality rates based on 1 in 4,000 deaths

Social Contribution Analysis Methodology

Data Model	Overview of Methodology	Assumptions/Data Sources
Fighting Food Insecurity	<ol style="list-style-type: none"> 1. Estimated the number of individuals in Canada who experience some form food insecurity (incl. severe) based on data from StatsCan and the CCHS survey 2. Determined the estimated number of food banks users experiencing some form of food insecurity (incl. severe) using food banks post-visit survey data from the CCHS 3. Applying a multiplier to account for increased food bank usage during the COVID-19 pandemic, calculated the number of food banks users before and during the pandemic 4. Using post-food bank usage data, estimated the number of Canadians that accessed food banks via Food Banks Canada (FBC) who experienced an improved level food security and determined totals from 2019-2021 	<ul style="list-style-type: none"> • As part of the Canadian Community Health Survey (CCHS) supported by StatsCan, 1.8 million households, reported having experienced some level of food insecurity during the previous 12 months • As per the CCHS survey, greater than 4.4 million people - including 1.2 million children under the age of 18 - living in food-insecure households in 2017-18 in Canada • 23.9 percent experiencing severe food insecurity (defined as disrupted eating patterns and reduced food intake among adults and/or children) • 21.1 percent of food-insecure households used food banks; however, most delayed bill payments and sought financial help from friends and family • Visits to food banks rose 20 percent nationally since the arrival of COVID-19 • 85% of food banks users access them through Food Banks Canada (FBC)
Disaster Response	<p><i>Relied on data provided by the Canadian Red Cross to determine number of beneficiaries and businesses supported with financial aid from 2019-2021.</i></p>	