

Walmart 

# Walmart Canada's economic and social contributions – Québec

2023





# About this report

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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.<sup>1</sup>

<sup>1</sup> Please refer to the [Note to Reader](#) on page 24 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 **Québec**. 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. Deloitte's 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 **Québec**. 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...



**\$3.1B** in Gross Domestic Product (GDP)



**\$2B** in labour income



**28,000** in full-time equivalent jobs (FTEs)



In addition to the substantial impact to **Québec'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:

- **8 FTEs** are sustained in **Québec** for **every million dollars** of Walmart sales and investments
- **\$0.88** in GDP is sustained in the **Québec** economy for **every \$1** of Walmart sales and investment
- Over the 2018-2021 period, Walmart Canada's total economic contribution to **Québec's** GDP and FTEs grew by an average of 3% annually. The GDP contribution reached more than **\$3.4B** in 2021 and the number of FTEs created and sustained reached **31,000** during the same year
- Walmart Canada also contributed specifically to **Montréal's** economy, sustaining **\$1.7B** in GDP, **\$1.0B** in labour income and **15,000** FTEs.



# 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 Québec 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

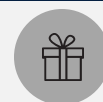


>**CA\$5.2 million** in community grants distributed to **2,500+** unique organizations



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

### Key findings in Québec\*



>**CA\$12M** raised through annual national fundraising campaigns and **\$944,000** provided in community grants



Contributing to improved food security of **16,690+** people in partnership with Food Banks Canada



Contributing to **~315** less COVID-19 related hospitalizations by delivering close to **64,000** vaccines

\*From 2019-2021





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# Walmart Canada's Economic Contributions in Québec



# Walmart's Retail Operations in Québec at a Glance



Walmart Canada operates 71 stores in Québec, through which it drives several forms of economic and social contribution. Walmart Canada purchased \$3.1B<sup>1</sup> worth of products in 2018<sup>2</sup> from vendors based in Québec, which grew at an average of 1.0% over the 2018 to 2020 period to \$3.2B. On average, over 2018-2020, Walmart Canada in Québec:<sup>3</sup>

- Accounts for 3% of Québec's retail sales
- Invests \$25M annually to renovate stores creating opportunities for construction firms and suppliers across the country
- Directly employs 8,000 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.<sup>5</sup>

<sup>1</sup>Value is based on selling price.

<sup>2</sup>This is 2019 Walmart fiscal year (February 2018 to January 2019).

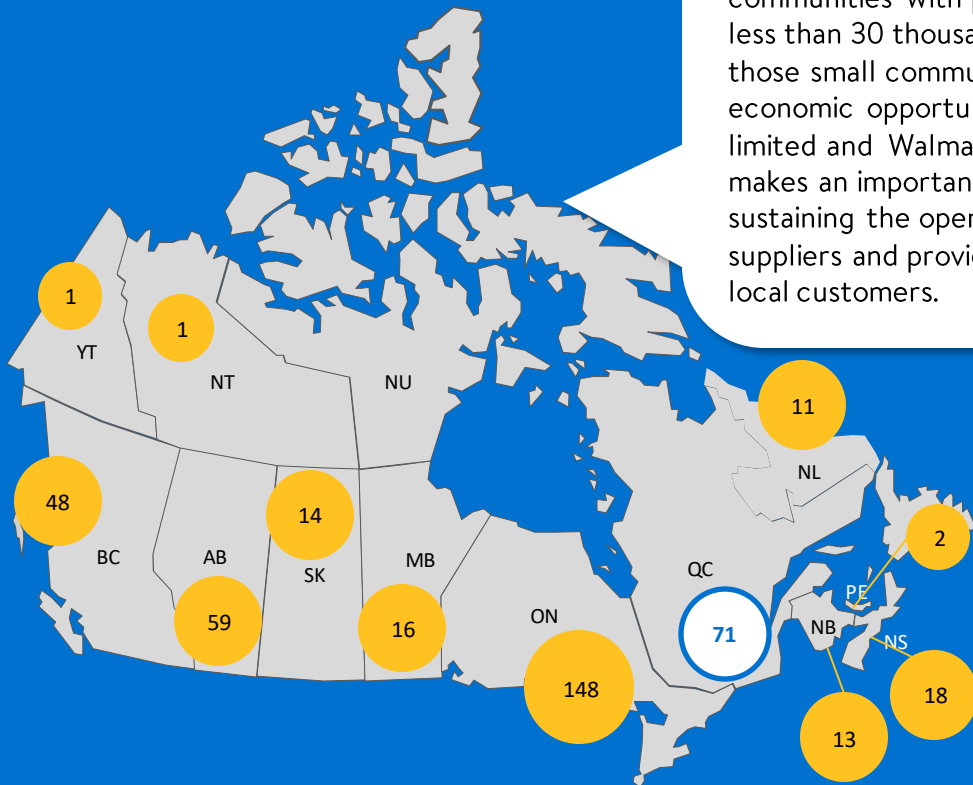
<sup>3</sup>Data represents 2018-2020 averages. Walmart Canada retail share is calculated using Statistics Canada CANSIM table 20-10-0008 and Walmart sales data.

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

<sup>5</sup>Walmart 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



5 Walmart Canada stores in Québec are located in small communities with populations of less than 30 thousand people.<sup>4</sup> 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

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This section assesses Walmart Canada's annual economic contribution to the Québec 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 Québec, Pre-Pandemic

## Total (direct, indirect and induced) impact<sup>1</sup>

In 2018,<sup>2</sup> Walmart Canada's operations and investments contributed...



**\$3.1B** in Gross Domestic Product (GDP)<sup>3</sup>  
*By comparison, this is larger than the size of Québec Health and Personal Care Stores sector*



**\$2B** in labour income



**28,000** in FTEs created or sustained



**\$0.88** in GDP sustained in Québec's economy for every dollar of Walmart sales and investments



**8 FTEs** sustained in Québec for every million dollars of Walmart sales and investments

<sup>1</sup>Walmart 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.

<sup>2</sup>This is 2019 Walmart fiscal year (February 2018 to January 2019).

<sup>3</sup>Statistics 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 Québec - GDP

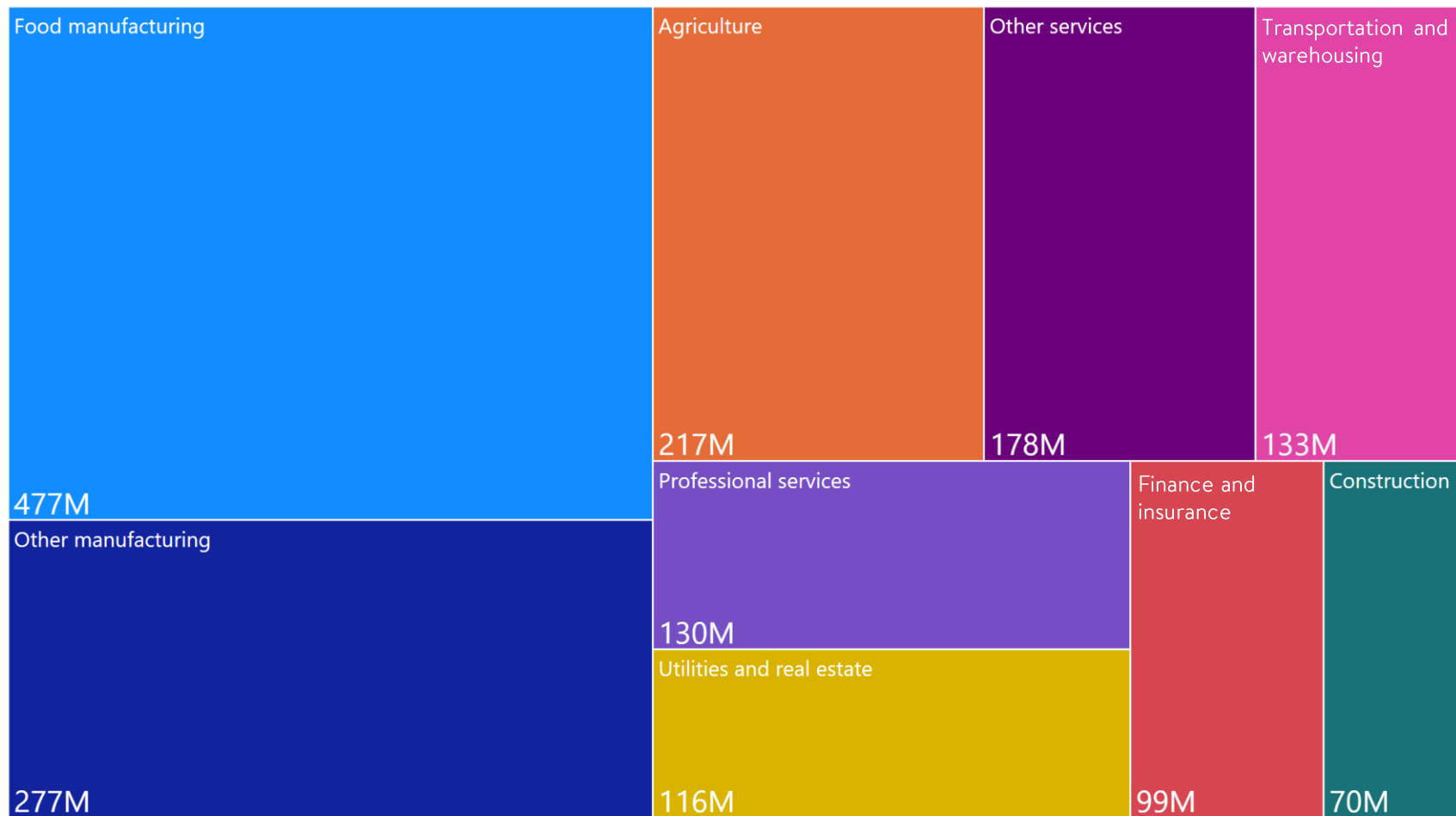
## Indirect contribution, by industry

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 **\$1.7B in GDP across its supply chain in Québec**. The top 5 industries where Walmart is able to drive GDP include:

- Food manufacturing : \$477M in GDP
- Other manufacturing: \$277M in GDP
- Agriculture: \$217M in GDP
- Other services: \$178M in GDP
- Transportation and warehousing: \$133M in GDP

GDP sustained by Walmart Canada’s operations and investments across its supply chain in Québec, 2018





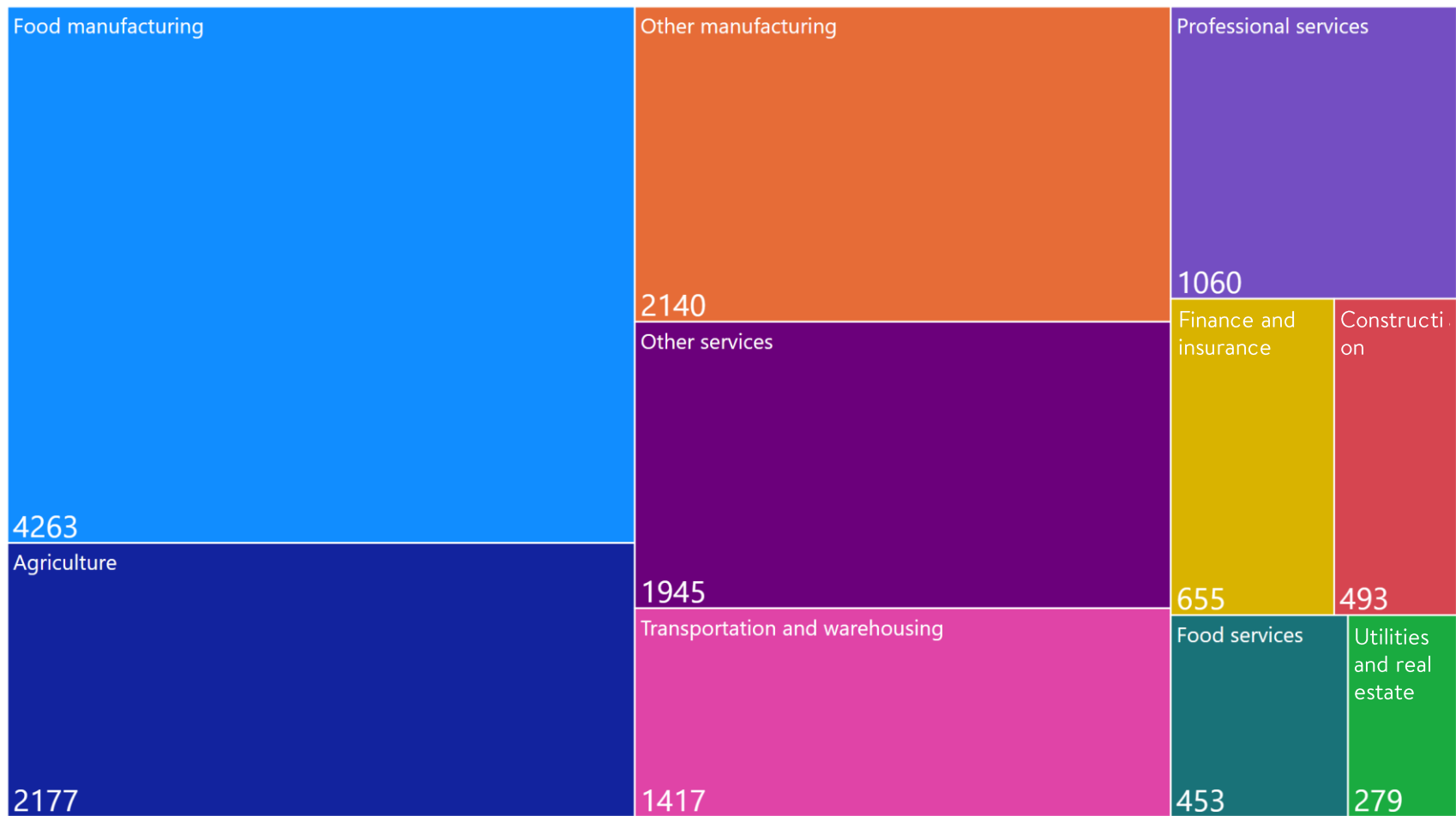
# Walmart Canada’s Economic Contribution Across Supply Chain in Québec - FTEs

## Indirect contribution, by industry

In 2018, Walmart Canada sustained or created **15 thousand FTEs across its supply chain in Québec**. The top 5 industries where Walmart is able to support employment mirror in parts the findings on the previous page:

- Food manufacturing: 4,263 FTEs
- Agriculture: 2,177 FTEs
- Other manufacturing: 2,140 FTEs
- Other services: 1,945 FTEs
- Transportation and warehousing: 1,417 FTEs

FTEs sustained by Walmart Canada’s operations and investments across its supply chain in Québec, 2018

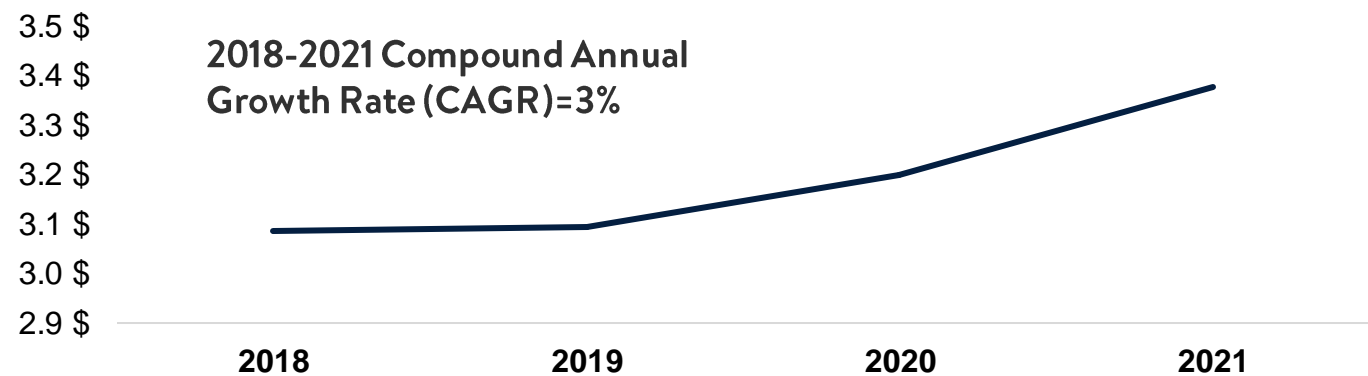




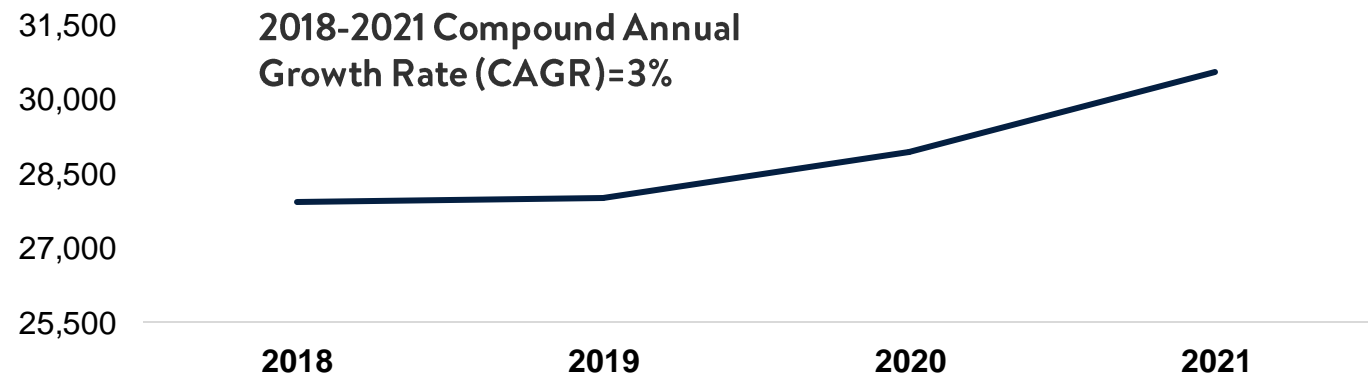
# Walmart Canada's Economic Contribution Growth - Québec

## Walmart Canada's Economic Contribution to Québec's GDP

(\$ billion)



## Walmart Canada's Economic Contribution to Québec'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 Québec's GDP grew by 3% annually on average over the 2018-2021 period. This brings Walmart Canada's economic contribution to more than \$3.3B in 2021 up from \$3.1B in 2018. Over the same period, the number of FTEs created and sustained by Walmart Canada also grew and reached approximately 31,000 in 2021.



# Spotlight – Community Economic Contribution

## Montréal

### Total (direct, indirect and induced) impact

In 2018, Walmart operations including its supply chain as well as Walmart investments contributed...



**\$1.7B** in Gross Domestic Product



**\$1.0B** in labour income



**15,000** in **FTEs** created or sustained



**\$1.13 in GDP** sustained in the Montréal economy **for every dollar** of Walmart sales and investments



**10 FTEs** were sustained in Montréal **for every million dollars** of Walmart sales and investments

With 35 Walmart stores located in Montréal, it is the top location of Walmart Canada's stores in Québec.







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# Walmart Canada's Social Contributions In Québec



# 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” companies<sup>1</sup>, and a company’s purpose being tied to social contribution is a key driver to improve employee engagement and loyalty.<sup>2</sup>



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



**4 in 10** shoppers say they choose sustainable goods often or whenever possible.<sup>3</sup>

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

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

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

<sup>3</sup>Barb 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 data<sup>1</sup> and conducted interviews with Walmart internal stakeholders and national partners.<sup>2</sup>

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.<sup>3</sup>

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.

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

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

<sup>3</sup> 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 cash<sup>1</sup>



**~\$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**

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



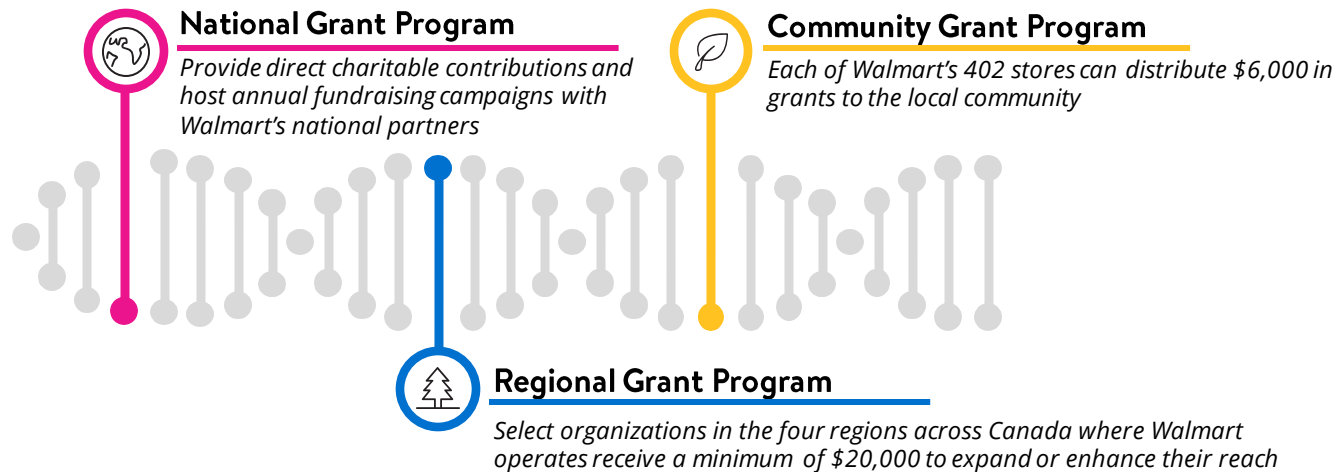


# Walmart Canada's Social Contributions: Community Giving

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.

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

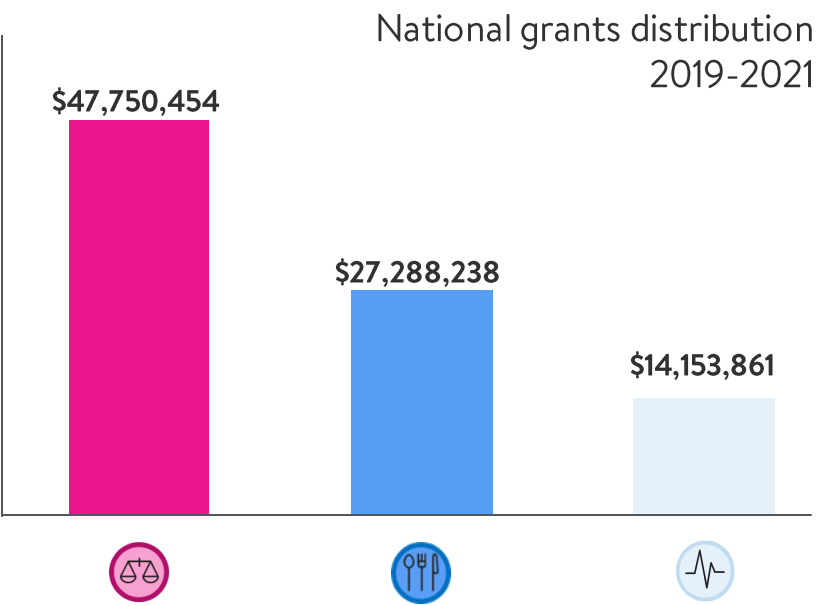
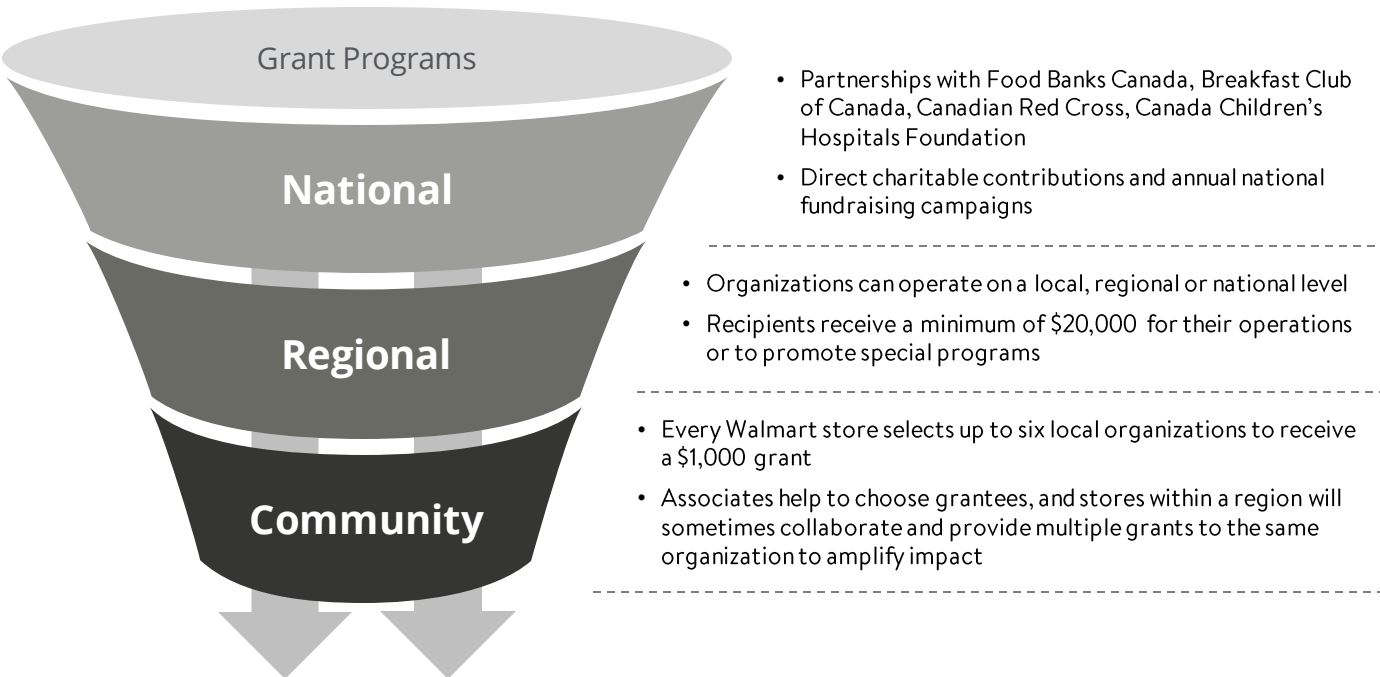
– Regional Operations Assistant

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# Giving Back to Canadian Communities

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



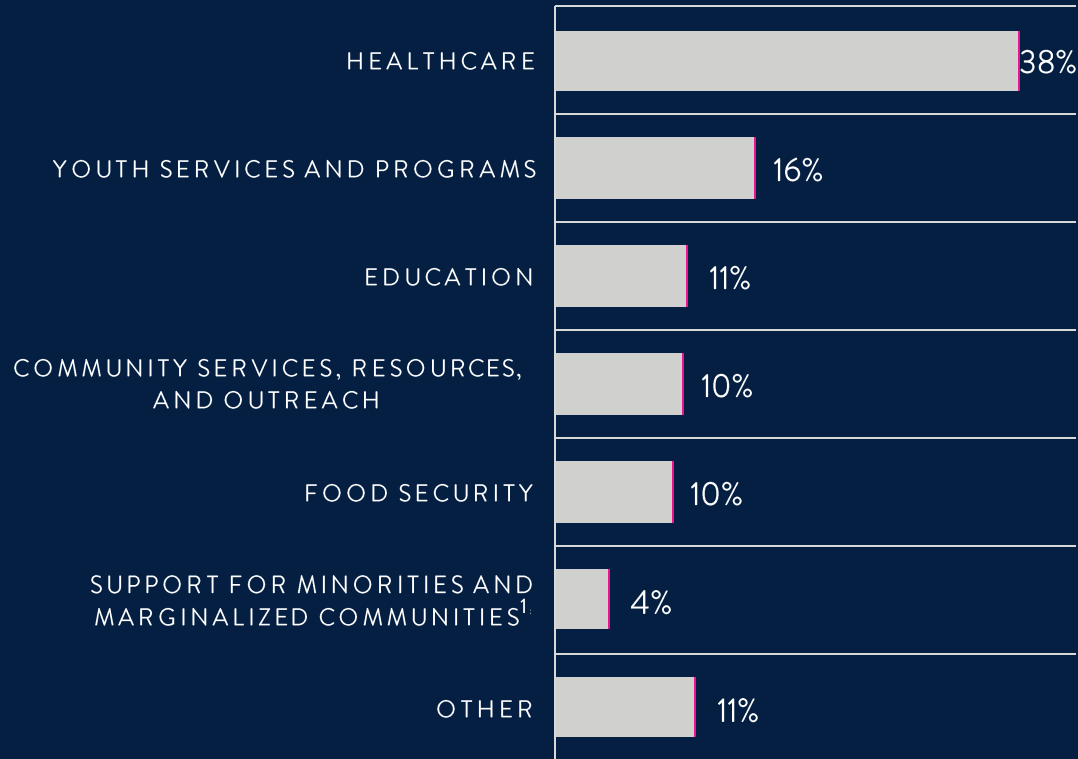
|                                    |  |   |
|------------------------------------|--|---|
| Health Access and Equity           |  | Commitment to improve patient outcomes and increased access to healthcare services for underserved and marginalized groups      |
| Food Security                      |  | 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 Québec

Breakdown of community and regional grants in Québec.



<sup>1</sup> Includes women

<sup>2</sup> Includes all youth-focused services and programs, organizations involved in child and youth development, athletics, camp, and cadets

<sup>3</sup> 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

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 Québec included:



**CA\$944,000** in grants was distributed



**470** unique organizations supported



**85%** of funds went towards high impact areas of Healthcare, Youth Services and Programs<sup>2</sup>, Education, Community Services, Resources, and Outreach<sup>3</sup>, and Food Security.

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 Québec, four organizations received a total of **CA\$125,000** to run programs spanning support for children with disabilities and their families, building homes to meet the needs of adults with autism, housing and support for women in difficult situations, and shelter and development services for homeless youth and youth at risk.



# Health Access & Equity

Walmart contributes to the well-being of local communities and helping people in Québec 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, in-store pharmacies, and Accès pharma

▶ 77,216,810 Prescriptions filled



**CA\$23.17 million**

Customer savings on drug dispensing fees<sup>3</sup>

## In Québec

▶ >75,000 Patient appointments

▶ 44,846 Flu shots administered



**1,399** People avoided getting sick from the flu<sup>1,2</sup>

## 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 Québec raised **\$8.14 million** to support critical activities at **The Montreal Children's Hospital Foundation (MCHF)**, and the **CHU Sainte-Justine Foundation**.

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

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

<sup>3</sup> Fireman, Bruce, Janelle Lee, Ned Lewis, Oliver Bembom, 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.

<sup>4</sup> MoneyGuide.ca, [Consumer surveys – Rates and fees](#), Drug dispensing fees.



### Working with CCHF to give kids in Québec 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 including MCHF and CHU Sainte-Justine are working hard to discover new treatments, cures and innovations.

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.

- MCHF Child Life Specialist staff created a **child-friendly video** to further normalize the PPE attire, distancing measures, and other guidelines that were newly put in place

Creating **healing environments** with child-friendly facilities and equipment that have the sensibilities of kids and their families at the heart of the design not only makes children better but helps them feel good too.

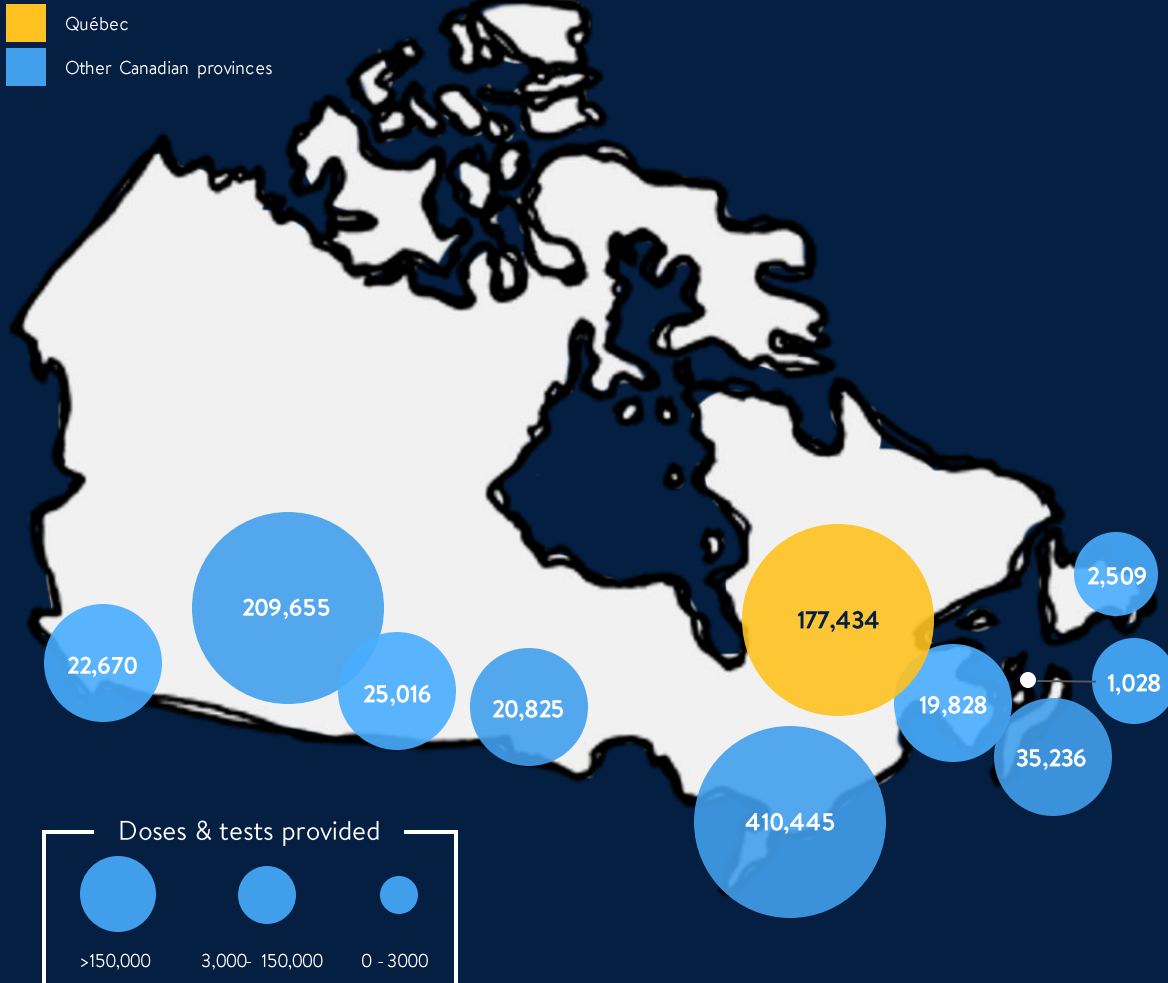
- MCHF introduced **special incubators** that provide an optimal and controlled environment, critical for at-risk preterm babies staying in the neonatal intensive care unit





# Spotlight: Walmart's COVID-19 Pandemic Response in Québec

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



In 2021, Walmart stores and Accès pharma in Quebec supported via:



**63,970**  
COVID-19 vaccines  
administered



**113,464**  
COVID-19 tests distributed  
in store and at home

Contributing to:



**61,411**  
People protected  
against severe disease<sup>1</sup>



**313**  
Hospitalizations  
avoided<sup>2</sup>

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.

<sup>1</sup> Based on weighted average for vaccine efficacy of 96% of doses administered in Canada (Pfizer, Moderna, AstraZeneca) to prevent severe disease progression.

<sup>2</sup> Based on statistical modelling of the  $\Delta$  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

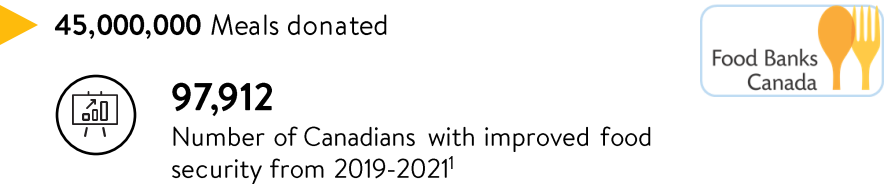
Walmart is working to ensure that all Canadians have access to enough food for an active and healthy life.

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.

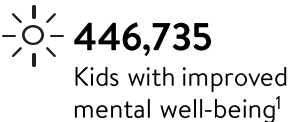
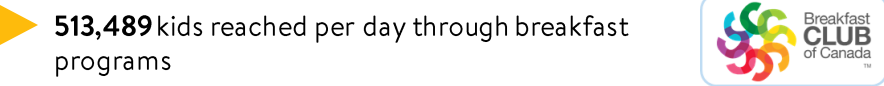
**Community giving** is another way that Walmart is combatting food insecurity across Canada. In partnership with Food Banks Canada, Breakfast Club of Canada and Salvation Army, Walmart has provided more than **\$7,139,000** in funds for vital programs for at-risk youth and food insecure households. 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



### By creating a nurturing environment where children can flourish



## In Québec



<sup>1</sup> 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.

<sup>2</sup> 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 decade<sup>1</sup>, it is important communities in Québec 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 disaster<sup>2</sup>

**2,495**  
Businesses supported financially following a disaster<sup>2</sup>

## 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

<sup>1</sup>Belmonte, L. More natural disasters mean more money. *Natural Disasters In Canada Cost The Government \$430 Million A Year On Average*  
<sup>2</sup>Figures 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.

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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 

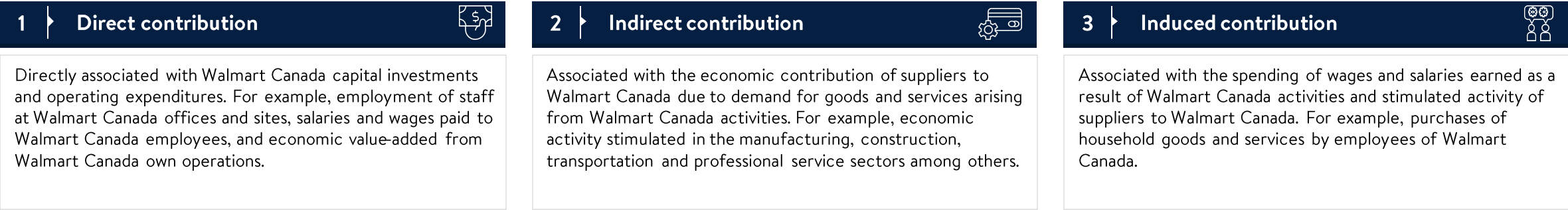
# Walmart Canada's economic and social contributions – Québec APPENDIX 2023



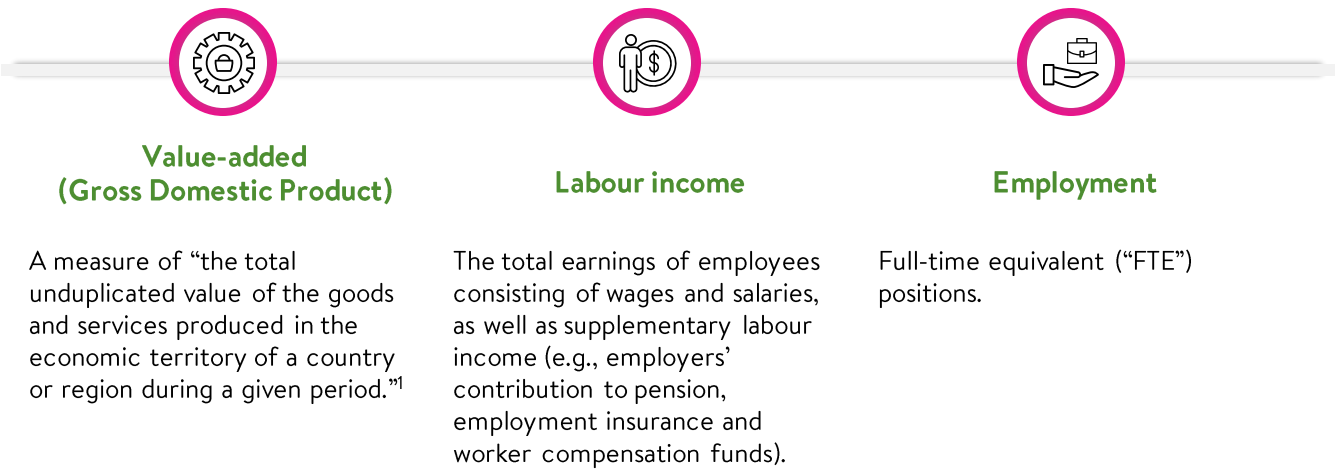


# Economic Contribution Analysis Methodology

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



## We measure the economic contribution in terms of:



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.



# Pricing Analysis Methodology – Effect of Walmart on Consumer Prices

Deloitte modelled the relationship between Walmart’s presence in 11 Census Metropolitan Areas (CMAs)<sup>1</sup> and consumer prices.<sup>2</sup> 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 products<sup>3</sup>. 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:

$$\log(Consumer\ Price_{j,CMA,t}) = \alpha + \beta Walmart\ presence_{CMA,t} + \gamma Imp\_Price\_Index_{j,t} + \delta Pmzoil_t + \mu Ogap_t + \varepsilon$$

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<sub>j,CMA,t</sub>** is the relevant inter-city index of price differentials for category of consumer products *j* in metropolitan area *CMA* in time *t* ;  
**Walmart presence<sub>CMA,t</sub>** are the number of Walmart stores per 100,000 population in metropolitan area *CMA* in time *t* ;  
**Imp\_Price\_Index<sub>j,t</sub>** is the National Import Price Index for category of consumer products *j* in time *t* ;  
**Pmzoil<sub>t</sub>** is the National Import Price Index for relevant commodities in time *t* ;  
**Ogap<sub>t</sub>** is the National Output Gap which captures overall price pressures in the economy in time *t*

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

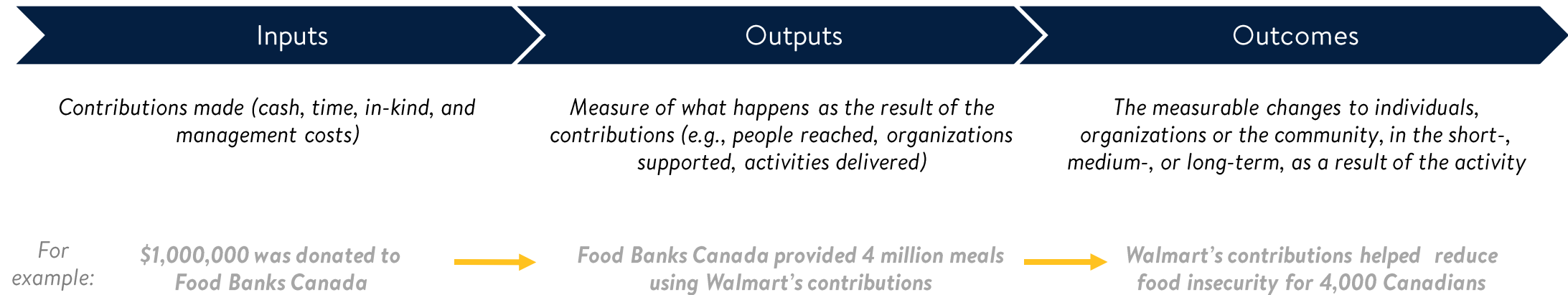
Deloitte modelled Walmart’s social contributions in Canada to estimate Walmart’s contribution towards positive outcomes.

## 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).*

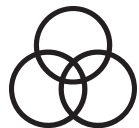
## Introduction to the Modelling Methodology

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  |
|--------------------------|---|---|
| <b>Pandemic Response</b> | <ol style="list-style-type: none"> <li>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</li> <li>Using public health information from the Canadian government, determined COVID-19 mortality and hospitalization rates of unvaccinated and vaccinated individuals</li> <li>Determined the <math>\Delta</math> 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 <math>\Delta</math> hospitalization rate.<br/> <math display="block">\Delta \text{ mortality rate} = (\text{mortality rate of unvaccinated}) - (\text{mortality rate of vaccinated})</math> <math display="block">\text{mortality rate based on vaccination status} = \left( \frac{\text{Number of deaths}}{\text{Number of cases}} \right)</math> </li> <li>Calculated estimated lives saved and hospitalizations avoided by multiplying the <math>\Delta</math> COVID-19 mortality and hospitalization rates by the estimated number of individuals vaccinated at Walmart who were infected by COVID-19</li> </ol> | <ul style="list-style-type: none"> <li>Individuals receiving Walmart vaccines received two doses</li> <li><a href="#">Population of Canada used in calculations</a> is from Stats Can as of April 2022</li> <li><a href="#">Number of COVID Deaths and incidence % used in calculations</a> is as of June 2022</li> <li><math>\Delta</math> deaths and hospitalizations by vaccination status is based on <a href="#">PHAC case-level vaccine history data</a> 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</li> <li>Incidence, Death and Hospitalization rates are fixed across provinces based on derived calculations</li> </ul> |
| <b>Flu Response</b>      | <ol style="list-style-type: none"> <li>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</li> <li>Using vaccine effectiveness data from the CDC, estimated the number of people who avoided getting sick from the flu because of vaccination through Walmart</li> <li>Calculated flu-related deaths avoided by multiplying the estimated number of people who were vaccinated at Walmart and exposed to the flu by the <math>\Delta</math> influenza mortality rate</li> </ol>  | <ul style="list-style-type: none"> <li>Incidence of influenza A or B based on <a href="#">median incidence of the flu</a> across all age groups from CDC data</li> <li>End of season influenza <a href="#">vaccine effectiveness</a> for all vaccine types based on data from the CDC</li> <li>Influenza mortality rates based on 1 in 4,000 deaths</li> </ul>  |



# Social Contribution Analysis Methodology

| Data Model               | Overview of Methodology  | Assumptions/Data Sources   |
|--------------------------|--|--|
| Fighting Food Insecurity | <ol style="list-style-type: none"> <li>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</li> <li>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</li> <li>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</li> <li>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</li> </ol> | <ul style="list-style-type: none"> <li>• As part of the <a href="#">Canadian Community Health Survey</a> (CCHS) supported by StatsCan, 1.8 million households, reported having experienced some level of food insecurity during the previous 12 months</li> <li>• As per the CCHS survey, greater than <a href="#">4.4 million people</a> - including 1.2 million children under the age of 18 - living in food-insecure households in 2017-18 in Canada</li> <li>• <a href="#">23.9 percent</a> experiencing severe food insecurity (defined as disrupted eating patterns and reduced food intake among adults and/or children)</li> <li>• <a href="#">21.1 percent</a> of food-insecure households used food banks; however, most delayed bill payments and sought financial help from friends and family</li> <li>• Visits to food banks rose <a href="#">20 percent nationally</a> since the arrival of COVID-19</li> <li>• <a href="#">85% of food banks users</a> access them through Food Banks Canada (FBC)</li> </ul> |
| 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>   |  |