

Walmart's supply chain financing programme

Critical transitions:



Innovation: Supply chain innovations

Geographic focus: Global

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Launched in 2019, Walmart partnered with HSBC to develop a sustainable supply-chain financing programme, providing preferential credit rates to Walmart's suppliers based on their performance against Walmart's Sustainability Index program and Project Gigaton. It is a unique form of sustainable supply-chain financing, with financing rates pegged to suppliers' environmental and social ratings.¹⁴⁹ Suppliers that improve their sustainability credentials will have access to improved financing from HSBC. Suppliers are assessed against their performance in two of Walmart's programmes:

- Sustainability Index:** In 2009, Walmart partnered with the Sustainability Consortium (TSC) to launch its Sustainability Index. The Index gathers data and information across the life cycle of Walmart's products, identifies the key social and environmental hot spots, and provides an agenda for improvement. Each supplier is scored, ranked against others, and presented with improvement opportunities. By 2017, 70 percent of Walmart's goods were provided by suppliers who participated in the Index, covering 300 buyers in over 125 categories and representing 3,000 unique products.¹⁵⁰
- Project Gigaton:** Alongside the Sustainability Index, Walmart launched its Project Gigaton in 2017, an initiative to avoid one billion tonnes of greenhouse gas (GHG) emissions by 2030. To date, over 1,000 suppliers have joined the project, conserving 93 million tonnes of emissions.¹⁵¹ For Walmart's agriculture supply chain to join Project Gigaton, suppliers need to commit to reducing greenhouse gas emissions, with a focus on efficient fertiliser and water use, manure management, enteric emissions, and feed conversion. Walmart estimates that its agricultural supply chain can potentially reduce 300 million metric tonnes of GHG emissions by 2030.¹⁵²

Stakeholders:

Walmart; The Sustainability Consortium; HSBC

Status:

● Operational