

RESOLVED: Shareholders request Walmart Inc. (“Walmart” or the “Company”) conduct a third-party, independent racial equity audit analyzing Walmart’s adverse impacts on Black, Indigenous and People of Color (BIPOC) communities, and to provide recommendations for improving the company’s racial equity impact. Input from employees, customers, and racial justice, labor, and civil rights organizations should be considered in determining specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be published on Walmart’s website.

SUPPORTING STATEMENT:

The harmful impacts of systemic racism on BIPOC communities are a major focus of policymakers, media, and the public. While Walmart has made charitable contributions¹ and statements of solidarity with communities of color, it must do more to address significant adverse impacts of its policies and practices on those communities.

Several aspects of Walmart’s business suggest a racial equity audit would help mitigate reputational, regulatory, legal, and human capital risk. In recent years, Walmart has faced negative media coverage related to claims of discrimination including racial profiling² and discriminatory hiring, recruitment³ and promotion practices.⁴ Walmart is also subject to criticism for poor working conditions⁵ and paying low wages⁶. The Company does not disclose median or adjusted racial pay gaps.

By Walmart’s own disclosures, it is clear more can be done to address racial inequality in its workforce. The Company reports that people of color comprise 49% of its U.S. workforce but make up only 28% of its U.S. Officers and 18% of its Board of Directors.⁷ As the largest private employer in the United States, it is imperative that Walmart ensure its policies and practices do not have adverse impacts on its BIPOC employees.

Political spending and lobbying may have adverse racial impacts. Between 2022 and 2023, the National Retail Federation (NRF), the industry trade association to which Walmart belongs, spent over \$16.7 million on lobbying⁸, and Walmart spent \$11.2 million over the same period.⁹ NRF’s policy priorities include weakening the SEC’s CEO pay ratio disclosure requirement¹⁰ and repeal of the employer mandate requiring large

¹ <https://corporate.walmart.com/esgreport/esg-issues/diversity-equality-inclusion>

² <https://www.npr.org/2022/08/25/1119385178/walmart-oregon-settlement-racial-profiling>

³ <https://www.npr.org/local/309/2019/04/22/716144085/complaints-allege-racist-hiring-practices-at-walmart-warehouse>

⁴ <https://www.forbes.com/sites/edwardsegal/2022/02/11/walmart-is-sued-for-gender-and-race-discrimination-by-eeoc/>

⁵ <https://www.msn.com/en-us/money/companies/employees-expose-dangerous-walmart-working-conditions/ar-AAZS4X8>

⁶ <https://www.theguardian.com/business/2021/oct/28/walmart-pay-hourly-low-wages-working-conditions>

⁷ <https://corporate.walmart.com/esgreport/esg-issues/diversity-equality-inclusion>

⁸ <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2022&id=D000000741> and

<https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2023&id=D000000741>

⁹ <https://www.opensecrets.org/Lobby/clientsum.php?id=D000000367&year=2022> and

<https://www.opensecrets.org/Lobby/clientsum.php?id=D000000367&year=2023>

¹⁰ <https://nrf.com/sec-pay-ratio>

companies to provide health coverage to full-time workers,¹¹ which may disproportionately affect BIPOC workers and stakeholders.

Given the demographics of Walmart's hourly workforce, shareholders want to ensure Walmart is not contributing to or exacerbating broader racial inequities. Failure to effectively address racial inequities in its operations exposes stakeholders, including employees, to unacceptable abuses and exposes Walmart to risks that may ultimately affect shareholder long-term value.

A racial equity audit would help Walmart identify, prioritize, remedy and avoid adverse impacts on nonwhite stakeholders and communities of color. We urge Walmart to assess its behavior through a racial equity lens in order to obtain a complete picture of how it contributes to, and could help dismantle, social and economic inequality.

¹¹ <https://nrf.com/hill/policy-issues/health-care-reform>