

RESOLVED, that shareholders of Walmart Inc. (“Walmart”) urge the Board of Directors (the “Board”) to report to shareholders describing the governance measures Walmart has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including any changes in how the Board oversees opioid-related matters, how incentive compensation for senior executives is determined, and how the Board obtains input regarding opioids from stakeholders.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT

Opioid abuse is undeniably a public health crisis. The Centers for Disease Control and Prevention reported that in 2017, opioid abuse caused an average of over 130 overdose deaths per day. The economic and social effects of the opioid crisis have been profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion.¹ Opioid use and dependency, according to a 2017 study, is a key factor in the decline in prime-age male labor force participation.²

Sale of opioid medications creates legal and reputational risks for Walmart. Walmart is a defendant in the multidistrict National Prescription Opiate Litigation, accused of failing to adequately train employees or monitor suspicious orders of prescription opioids.

Walmart’s “Opioid Stewardship Initiative”³ describes steps Walmart is taking at the pharmacy level, including requiring e-prescriptions for controlled substances, limiting initial acute opioid prescriptions to seven days, facilitating disposal of unused opioids, and in the public policy arena, but does not address governance changes. In our view, Board-level oversight and governance reforms can play an important role in effectively addressing opioid-related risks and shareholders would benefit from a fuller understanding of how Walmart’s governance arrangements have changed since 2012 to do so more effectively.

For example, none of Walmart’s board committee charters establishes responsibility for overseeing opioid-related risks. As well, it is not clear from Walmart’s proxy statements whether senior executive compensation “ethics and compliance” metrics include goals related to opioids or controlled substances. In our view, the information requested in this proposal would enable shareholders to better understand Walmart’s governance response to the opioid crisis and opioid-related risks.

We urge shareholders to vote for this proposal.

¹ <https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>

² https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf

³ https://corporate.walmart.com/media-library/document/opioid-fact-sheet/_proxyDocument?id=00000163-3abcd8-ab7f-3ffe314e0000