

RESOLVED: Shareholders of Walmart Stores, Inc. (“Walmart”) request that the Board of Directors oversee the preparation of a public report on whether and how Walmart’s racial justice goals and commitments align with the starting pay for all classifications of Walmart associates.

Supporting Statement

Today, there is a radically increased focus on racial injustice, following protests over police killings of Black people and the disproportionate impact of the COVID-19 pandemic on people of color, including in the workplace. Workers of color make up a larger proportion of essential workers and are more likely to lose their jobs because of the pandemic.¹

In 2021, in every region of the United States, a single adult without children needs at least \$31,200 to achieve a modest but secure standard of living.² The fiscal 2021 annual total compensation of Walmart’s median associate was \$20,942.³ There has been public support for the proposed Raise the Wage Act which would help eliminate poverty-level wages by raising the national minimum wage to \$15 an hour and positively impact approximately 4.7 million retail workers.⁴

Walmart is committed to advancing racial equity, including through the creation of the Center for Racial Equity, with a goal to “*help replace the structures of systemic racism, and build in their place frameworks of equity and justice that solidify our commitment to the belief that, without question, Black Lives Matter.*”⁵

More than 80 percent of Black Americans say it is very important for companies to pay a living wage.⁶ 48 percent of Walmart’s hourly workers are people of color⁷ and the company acknowledges that “*the overwhelming majority of our associates say their hourly wage is the most important part of their pay.*”⁸

In 2020 and 2021, Walmart raised wages and expanded benefits for many of its hourly associates.⁹ However, Walmart stated in its 2021 proxy statement that only about half of its United States hourly associates will earn at least \$15 an hour, putting it behind an increasing number of retailer peers who have raised their starting wages to at least \$15 an hour. Walmart is cited as one of the top five employers with the largest estimated number of non-disabled, non-elderly adult Medicaid and Supplemental Nutrition Assistance Program enrollees.¹⁰

¹ <https://www.epi.org/publication/black-workers-covid/>

² <https://www.epi.org/publication/our-deeply-broken-labor-market-needs-a-higher-minimum-wage-epi-testimony-for-the-senate-budget-committee/>; <https://livingwage.mit.edu/articles/85-15-an-hour-isn-t-enough-u-s-workers-need-a-living-wage>

³ <https://www.sec.gov/Archives/edgar/data/104169/000120677421001200/wmt3839531-def14a.htm#PROPOSALNO6ReportonAlignmentofRacialJusticeGoalsandStartingWages>

⁴ <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2025-would-lift-the-pay-of-32-million-workers/>

⁵ <https://corporate.walmart.com/newsroom/2020/06/12/advancing-our-work-on-racial-equity>

⁶ <https://justcapital.com/news/ceo-blueprint-for-achieving-racial-equity/>

⁷ <https://corporate.walmart.com/global-responsibility/culture-diversity-equity-and-inclusion>

⁸ https://www.wsj.com/articles/walmart-to-end-quarterly-bonuses-for-store-workers-11631190896?mod=hp_lead_pos11

⁹ <https://corporate.walmart.com/our-story/working-at-walmart>

¹⁰ <https://www.gao.gov/assets/gao-21-45.pdf>

Walmart has not disclosed the types of positions or the demographic breakdown of its hourly associates by wage level, which would track progress towards their racial equity commitments. Given the high turnover rate of store associates and the current competitive market for retail workers¹¹, we are concerned that this lack of transparency poses potential reputational and financial risks to our company.

Shareholders want to understand how Walmart is fulfilling its racial justice commitments by building equity for its associates through its wage structure.

¹¹ <https://www.arkansasonline.com/news/2021/sep/30/walmart-on-hunt-for-more-workers/>