

Walmart Inc.

TICKER
 NYS:WMT

MARKET CAPITALIZATION
 US\$316 billion

HEADQUARTERS
 United States

DISCLOSURES
UK Modern Slavery Act: Not applicable

California Transparency in Supply Chains Act: Yes

TARGETS

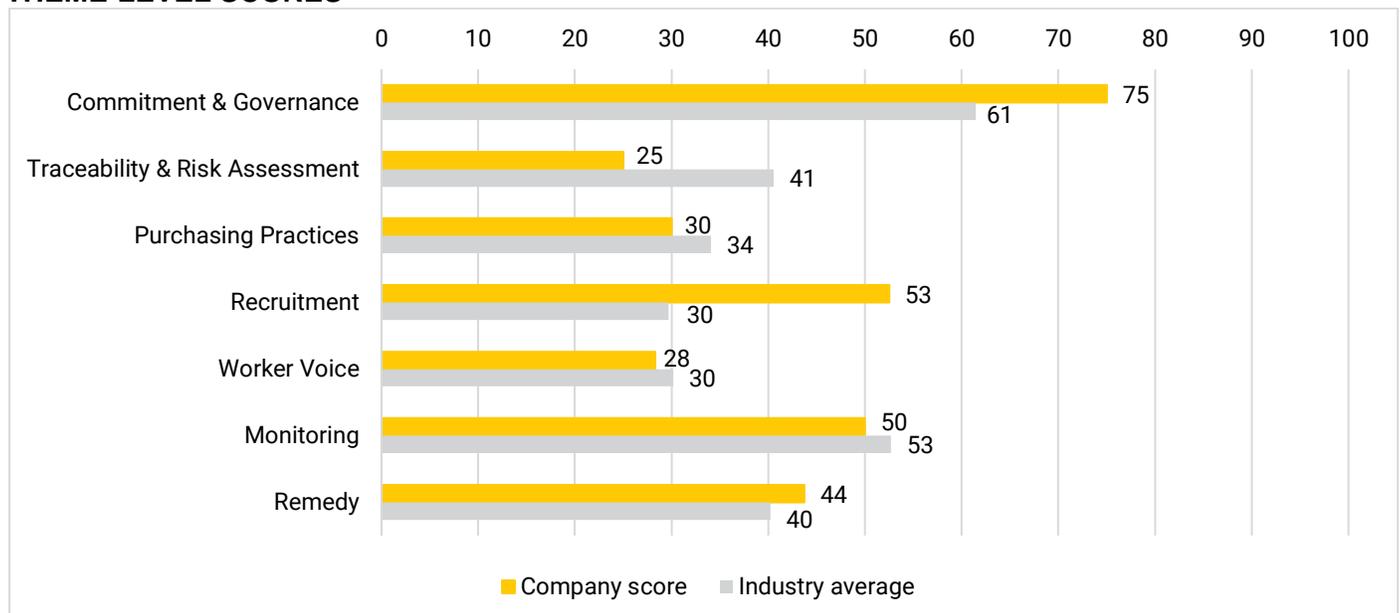
None

OVERALL RANKING
18 out of 37

(2018 Rank: 18 out of 43)

OVERALL SCORE
44 out of 100
SUMMARY

Walmart Inc. (Walmart), the largest retailer in the world and the third-largest apparel online retailer in North America,¹ ranks 18th out of 37 companies, disclosing slightly more information on its forced labor policies and practices than its peers. Walmart maintained its 2018 rank because it began disclosing engagement with governments on the regulation of recruitment agencies, carrying out a risk assessment on its supply chains to analyze social compliance risks, requiring suppliers to ensure that employment and recruitment agencies adhere to its standards, and data on the use of grievance processes. Walmart scores higher than average on the themes of Commitment & Governance, Recruitment, and Remedy and lower than average on the remaining themes. Walmart does not disclose the steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers. KnowTheChain identified three additional allegations of indicators of forced labor in Walmart's supply chains. However, Walmart does not disclose engagement with affected stakeholders or remedy outcomes for workers in any case. Walmart is encouraged to improve on the themes of Traceability & Risk Assessment, Worker Voice, and Remedy.

THEME-LEVEL SCORES


KEY DATA POINTS**SUPPLIER LIST**

■ No

IMPROVEMENTS OF FREEDOM OF ASSOCIATION

■ No

ADDRESSES FORCED LABOR RISKS RELATED TO THIRD-PARTY PRODUCTS

■ No

DATA ON PURCHASING PRACTICES

■ No

REMEDY FOR SUPPLY CHAIN WORKERS

■ No

HIGH-RISK RAW MATERIALS²

■ Cashmere, cotton, silk, and others

LEADING PRACTICES

None.

NOTABLE FINDINGS

Stakeholder Engagement: Walmart discloses that as part of two supplier roundtables with the Consumer Goods Forum and the Leadership Group for Responsible Recruitment, it participated in discussions with key officials of the Thai and Malaysian governments to advocate for better government regulation of recruitment agencies. It also discloses that it works with other peers in the Leadership Group to “create demand for and availability of ethically-recruited workers in Thailand and Malaysia.”

Recruitment: Walmart requires its suppliers to respect the [Employer Pays Principle](#) and enforce it throughout their supply chains, including with respect to recruitment agents. It states that it monitors recruitment agencies for compliance with its standards and that it engaged the International Organization for Migration to deliver training on responsible recruitment practices for suppliers and their recruiters in Thailand and Malaysia. Further, it requires its suppliers to ensure that migrant workers receive “an understandable and accurate employment contract in their native language prior to departure from their home country.”

Grievance Mechanism: Walmart reports that it has an anonymous ethics hotline that is available to its supply chain workers and displayed on posters in supplier facilities. It states that the posters focus on high-risk issues, including forced labor. It states that the ethics website also allows reports to be made and is open to external stakeholders. It further discloses data on the practical operation of the mechanism.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: Walmart is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of at least its first-tier suppliers, information on its below-first-tier suppliers, the countries from which it sources raw materials at high risk of forced labor, and several data points on its suppliers’ workforce. Further, it is encouraged to disclose details on forced labor risks identified in different tiers of its supply chains.

Worker Voice: To prevent forced labor in its supply chains, Walmart is encouraged to work with relevant stakeholders to ensure workers in its supply chains are aware of their labor rights and to disclose evidence of the positive impact of worker engagement in its supply chains. Further, it is encouraged to work with local or global trade unions to support freedom of association in its supply chains and disclose

examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers.

Remedy: While Walmart discloses that it investigates “certain alleged violations,” it is encouraged to establish and disclose a process for responding to reported violations that includes details such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to stakeholders that it has an effective remedy process in place, Walmart is encouraged to disclose examples of the remedy it has provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

ENGAGED WITH KNOWTHECHAIN³

Yes ([Provided Additional Disclosure](#)).

¹ Forbes (13 May 2020), “[The World's Largest Retailers 2020: Walmart, Amazon Increase Their Lead Ahead Of The Pack](#),” DigitalCommerce 360 (28 August 2020), “[Who are the top online apparel merchants?](#)”

² For further details on high-risk raw materials, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

³ Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).