

Walmart Inc.

TICKER
NYSE:WMT

MARKET CAPITALIZATION
US\$316 billion

HEADQUARTERS
United States

COMPLIANCE

UK Modern Slavery Act: [Disclosure of subsidiary available, but not compliant](#)

California Transparency in Supply Chains Act: [Disclosure available, but not compliant](#)

COMMITMENTS

[Yes](#)

OVERALL RANKING

18 out of 43

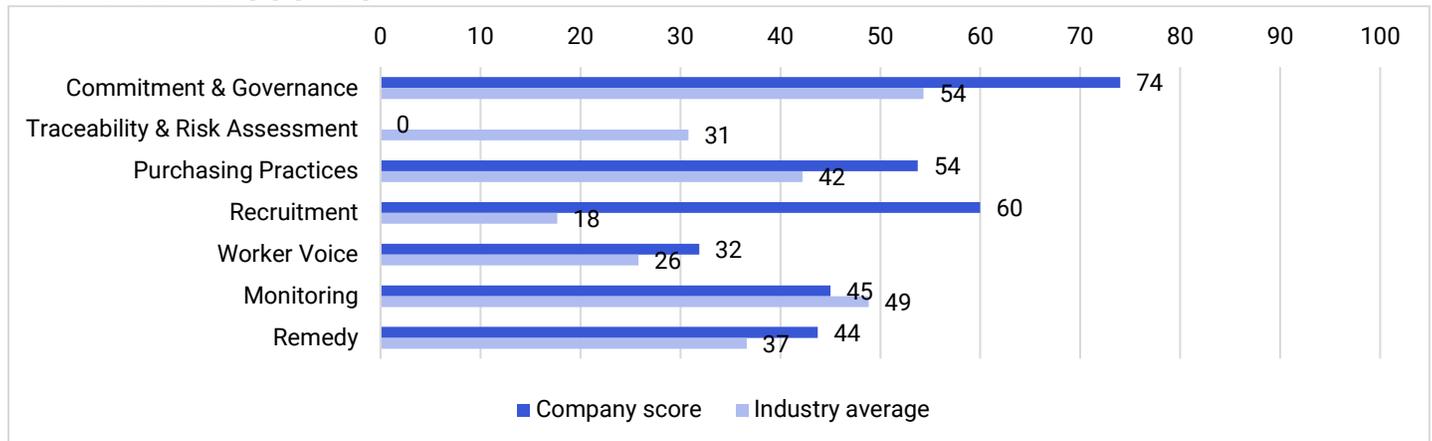
OVERALL SCORE

44 out of 100

SUMMARY

Walmart Inc. (Walmart), one of the world’s largest retailers¹ and one of the largest apparel retailers in the United States,² ranks 18th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Traceability & Risk Assessment and Monitoring. The company has a significantly higher-than-average score on the theme of Recruitment, due to provisions in its supplier code of conduct and its membership in the Leadership Group for Responsible Recruitment. Additional steps the company could take include strengthening its disclosure and practices in its apparel supply chains³ on the themes of Traceability & Risk Assessment, Worker Voice, and Remedy.

THEME-LEVEL SCORES



¹ According to Forbes Global 2000 list. Forbes (6 June 2018), “Walmart, Amazon Top World’s Largest Retail Companies.”

² CNBC (10 September 2018), “Amazon will dethrone Walmart as the No. 1 retailer of apparel this year, predicts Wells Fargo.”

³ For an assessment of the company’s performance with regards to its food and beverage supply chains, see [KnowTheChain’s website](#).

LEADING PRACTICES

None.

NOTABLE FINDINGS

Management and Accountability: Walmart discloses that its responsible sourcing team is in charge of reviewing supplier audit and remediation reports and investigating alleged violations of its supplier code of conduct. It notes that this team worked on over 500 allegations of violations of its standards in the financial year 2018. Further, the company discloses that its program for sustainable and responsible supply chain operations has nearly 190 employees around the world who work with suppliers to enforce its standards. Walmart discloses a map indicating the 22 countries in which these employees are based.

Purchasing Practices: Walmart discloses that it trains merchandisers, buyers, and sourcing managers on how their decisions can impact working conditions at its suppliers and “equip[s] them with the necessary knowledge to reinforce to suppliers the importance of positive facility labor practices.” It discloses that, in 2017, more than 4,500 merchants and sourcing professionals were trained. Walmart requires suppliers based in higher-risk countries, and those who produce products where Walmart is the importer of record, to undergo a responsible sourcing audit against its supplier code (which includes forced labor) prior to receiving orders for the company. The company's supplier code of conduct states that its suppliers must not produce merchandise in non-compliant or unauthorized facilities. The company also requires its suppliers to disclose the details of any sub-suppliers used.

Recruitment: Walmart's supplier code of conduct prohibits worker-paid recruitment fees as well as passport retention and requires suppliers to provide migrant workers with employment contracts in their native language prior to departure from their home country. As a member of the Leadership Group for Responsible Recruitment it is required to map its supply chains for recruitment risk, to audit recruitment agencies in its supply chains, and to brief suppliers and offer guidance and training for hiring managers on the Employer Pays Principle.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: To demonstrate a strong understanding of its apparel supply chains, the company may consider disclosing the names and addresses of its first-tier suppliers, the countries of its below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor, and information on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with suppliers to improve their practices regarding freedom of association and collective bargaining and to work with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

Remedy: While the company discloses a corrective action plan process for its suppliers, it is encouraged to disclose a summary or an example of its corrective action process in practice. Further, it is encouraged to provide further detail on its process for responding to the complaints and/or reported violations of policies and standards, such as timelines and engagement with affected stakeholders. To demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers in its apparel supply chains.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)