

# Walmart Inc.

**TICKER**  
NYS:WMT

**MARKET CAPITALIZATION**  
US\$316 billion

**HEADQUARTERS**  
United States

**DISCLOSURES**

UK Modern Slavery Act: Yes (Disclosure of Subsidiary)

California Transparency in Supply Chains Act: Yes

**TARGETS**

None

**OVERALL RANKING**

**12 out of 49**

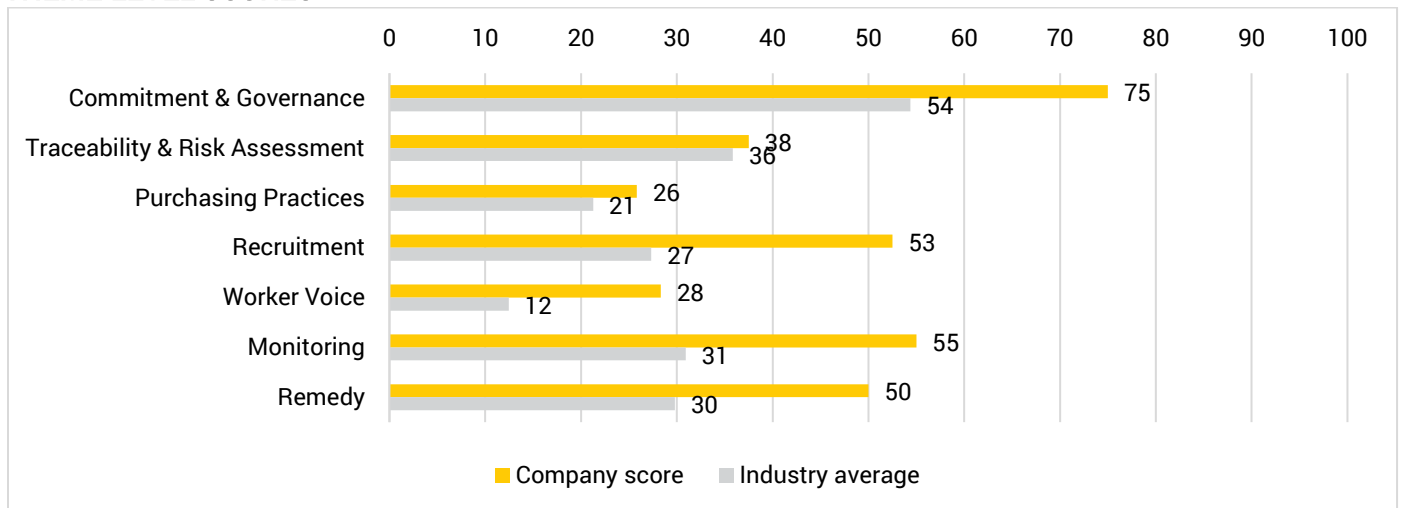
**OVERALL SCORE**

**46 out of 100**

**SUMMARY**

Walmart Inc. (Walmart), the largest global company and one of the largest electronics retailers,<sup>1</sup> ranks 12<sup>th</sup> out of 49 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. The company scores over 50/100 on the themes of Commitment & Governance, Recruitment, and Monitoring. Additional steps the company could take to address forced labor risks in its electronics supply chains include disclosing policies and practices on the themes of Traceability & Risk Assessment, Purchasing Practices, and Worker Voice.

**THEME-LEVEL SCORES**



Research conducted through October 2019 or through January 2020, 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](#). See [here](#) for the company's KnowTheChain ranking in the food and beverage and apparel and footwear sectors.

**KEY DATA POINTS**
**SUPPLIER LIST**

No

**AVERAGE SUPPLIER SCORE**

N/A

**HIGH-RISK SOURCING COUNTRIES**

 China<sup>2</sup>
**NO-FEE POLICY**

Yes (Employer Pays Principle)

**REMEDY FOR SUPPLY CHAINS WORKERS**

No

**ADDRESSES FORCED LABOR RISKS RELATED TO THIRD-PARTY PRODUCTS**

No

**LEADING PRACTICES**

**Recruitment Fees:** In addition to its supplier code, which prohibits worker-paid recruitment fees, Walmart publishes a statement of principles on responsible recruitment in global supply chains. According to the statement, Walmart expects its suppliers to “adopt and enforce the Employer Pays Principle throughout their supply chain, including cascading it to agents or brokers used to hire foreign migrant workers,” to increase demand for responsible recruitment agencies. The statement further notes that suppliers are expected to interview migrant workers to discover if they have paid fees and to have a mechanism for repaying workers. The statement specifies that Walmart implements the Employer Pays Principle by reviewing audits for indications that migrant workers have been charged fees.

**NOTABLE FINDINGS**

**Commitment & Governance:** Walmart discloses that it has more than 150 responsible sourcing associates that are responsible for monitoring supply chain conditions, including by conducting supplier training and assessments. The company further explains that the nomination and governance committee of its board of directors oversees the company’s human rights work, and that the audit committee of the board of directors oversees its ethics and compliance program, which includes “labor and employment” and “responsible sourcing.” In addition, Walmart discloses that its sourcing staff are trained on how their decisions could influence conditions in its supply chains and how they can work to ensure responsible buying practices. It reports that more than 3,300 sourcing staff were trained on responsible buying practices in 2019.

**Monitoring and Responsible Recruitment:** Walmart discloses that it is working on a responsible recruitment project with the International Organization for Migration to understand the scale of migrant labor in its supply chains in Thailand and Malaysia. It states that the project will help build supplier capacity on responsible recruitment by providing suppliers with knowledge on labor migration patterns and migrant worker recruitment and with tools to promote responsible recruitment. Walmart also reports

engaging with members of the Malaysian and Thai governments at supplier roundtables, which focused on the issue of responsible recruitment.

**Worker Voice:** Walmart requires suppliers to display posters outlining workers' rights and details of its grievance mechanism in its supplier facilities. It provides the posters for 49 countries, in multiple languages. Further, it is one of only five companies disclosing evidence that its grievance mechanism was used to report supply chain-related grievances.

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### **OPPORTUNITIES FOR IMPROVEMENT**

**Traceability & Risk Assessment:** The company is encouraged to demonstrate a strong understanding of its electronics supply chains by disclosing the names and addresses of its first-tier suppliers, the countries in which its below-first-tier suppliers operate, the countries from which it sources raw materials at high risk of forced labor, and several data points on its suppliers' workforce.

**Purchasing Practices:** In addition to training its staff on responsible sourcing, the company is encouraged to adopt responsible purchasing practices (such as improving planning and forecasting) and to provide procurement incentives (such as price premiums or increased orders) to suppliers to encourage or reward good labor practices. The company may also consider taking steps to address forced labor risks in its raw materials sourcing.

**Worker Voice:** To support collective worker empowerment, the company is encouraged 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. Further, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights (beyond a policy requirement), and to provide examples of worker engagement initiatives covering different supply chain contexts.

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### **ENGAGED WITH KNOWTHECHAIN**

Yes.

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<sup>1</sup> Fortune ranks Walmart as the largest global company by revenue. Fortune, "[Global 500 2019](#)." Accessed 17 April 2020. Forbes identifies Walmart as the fifth-largest global online retailer and the ninth-largest electronics and media e-commerce company. Forbes (20 May 2019), "[Top 5 Online Retailers: 'Electronics And Media' Is The Star Of E-commerce Worldwide](#)."

<sup>2</sup> The US Department of Labor lists China as a country where electronics may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor](#)."