

RESOLVED: Shareholders request Walmart Inc. (“Walmart” or the “Company”) conduct a third-party, independent racial equity audit analyzing Walmart’s adverse impacts on Black, Indigenous and People of Color (BIPOC) communities, and providing recommendations for improving the company’s racial equity impact. Input from employees, customers, and racial justice, labor, and civil rights organizations should be considered in determining specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be published on Walmart’s website.

SUPPORTING STATEMENT:

As the leading retailer, grocer, and private employer,¹ Walmart wields significant influence over the U.S. labor market and economy.² Company policies and practices disproportionately impact BIPOC and female workers, as Walmart employs more Black people and women than any other U.S. company.³

In November 2024, Walmart rolled back its diversity initiatives, cutting racial equity training and eliminating supplier diversity programs.⁴ The decision was criticized by the NAACP⁵, the National Urban League⁶ and Walmart associates.⁷

Shareholders worry the move clashes with the Company’s stated commitment to fostering inclusion and opportunity for all and disregards evidence that DEI initiatives boost motivation and reduce attrition.⁸

Moreover, racial inequity poses macroeconomic risks that jeopardize long-term returns across asset classes by generating industry and economy-wide negative externalities and impeding inclusive and broad-based economic growth. A recent Citigroup study found racism and discrimination have cost the U.S. GDP \$16 trillion since 2000 and addressing racial discrimination against African Americans could boost the U.S. economy by \$5 trillion over five years.⁹

Several aspects of Walmart’s business suggest a racial equity audit would help mitigate reputational, regulatory, legal, macroeconomic, and human capital risk. The

¹ <https://www.wsj.com/business/retail/walmart-sales-amazon-growth-2bee429b> and <https://www.businessinsider.com/walmart-biggest-supermarket-2011-2#the-store-spread-across-the-country-like-wildfire-but-its-first-full-stocked-grocery-didnt-open-until-1988-2>

² <https://prospect.org/power/wal-mart-shapes-world/>

³ <https://www.racialjustice.majorityaction.us/>

⁴ <https://www.npr.org/2024/11/26/nx-s1-5206289/walmart-dei-rollback-diversity>

⁵ <https://www.cnn.com/2024/11/26/politics/video/the-lead-naacp-walmart-dei-right-wing-woke>

⁶ <https://thehill.com/homenews/race-politics/5012407-civil-rights-group-national-urban-league-walmart-dei/>

⁷ <https://www.theguardian.com/business/2024/dec/15/walmart-dei-diversity-equity-inclusion-rollback>

⁸ <https://www.bcg.com/publications/2024/highlighting-the-business-opportunity-of-dei-initiatives>

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www.npr.org/sections/live-updates-protests-for-racial-justice/2020/09/23/916022472/cost-of-racism-u-s-economy-lost-16-trillion-because-of-discrimination-bank-says

Company reports that people of color comprise 51% of its domestic workforce but make up only 30% of U.S. Officers¹⁰ and 18% of its Board of Directors.¹¹ Walmart has also faced negative media attention over claims of racial profiling¹², discriminatory hiring¹³ and promotion practices¹⁴, as well as poor working conditions¹⁵ and low wages.¹⁶

Political spending and lobbying may also have adverse racial impacts. In 2024, Walmart donated \$7.5 million, including \$3.5 million toward the passage of California's Proposition 36, a tough-on-crime initiative reclassifying petty misdemeanors as felonies.¹⁷ The California Secretary of State said the measure would increase the State prison and County jail population,¹⁸ a known cause of race-related economic inequality.¹⁹

Given its worker demographics and scale, we request Walmart assess its behavior through a racial equity lens to obtain a complete picture of how it contributes to, and could help dismantle, social and economic inequality.

A racial equity audit would help Walmart identify, remedy and avoid adverse impacts on nonwhite stakeholders, communities of color, and long-term diversified shareholders. Failure to effectively address inequities in its operations exposes stakeholders, including employees, to unacceptable abuses and exposes Walmart to risks that may ultimately affect shareholder long-term value.

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https://s201.q4cdn.com/262069030/files/doc_downloads/2024/04/2024-annual-belonging-diversity-equity-and-inclusion-annual-report.pdf

¹¹ <https://corporate.walmart.com/purpose/esgreport/governance/corporate-governance>

¹² <https://www.npr.org/2022/08/25/1119385178/walmart-oregon-settlement-racial-profiling>

¹³

<https://www.cbsnews.com/news/walmart-discrimination-complaint-african-american-warehouse-workers-with-recs-lose-jobs/>

¹⁴

<https://www.forbes.com/sites/edwardsegal/2022/02/11/walmart-is-sued-for-gender-and-race-discrimination-by-eoc/>

¹⁵

https://www.yahoo.com/news/walmart-slammed-unsafe-reckless-employer-195414657.html?guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAEuhbFRUqPZusBs3mSC-v-WxqCrCckZZJH5cSAtiVu_vL Ud2wfg9bT-y7sWSO09IMvnb-ICH0Z0DD01OCdPI_wxZbsTsE5ZIZOfRrpSn3A3v8jjhs0F_SQFt6KXfig9Aht_gag0WYRFN0M2ndw0Sjvf7FsmvnFegPxT4R0WXQH0V&guccounter=2

¹⁶ https://webassets.oxfamamerica.org/media/documents/Amazon-Walmart_Briefing_Note_FINAL.pdf

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https://united4respect.org/reports/walmart-political-spending-2024/?utm_medium=comms&utm_source=press_release&utm_campaign=campaign_finance

¹⁸ <https://voterguide.sos.ca.gov/propositions/36/analysis.htm>

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<https://www.brennancenter.org/our-work/analysis-opinion/mass-incarceration-has-been-driving-force-economic-inequality>