



Our Story

Newsroom

Global Responsibility

Investors

Suppliers

Ask Walmart

+ and Scale for Positive Change

+ unique position to influence positive change – both in our own operations
+ across entire supply chains and industries.

+

+ Responsible Buying Practices

+



Practices in the Business

Integration with the business. Our Responsible Sourcing Business
in our retail market buying offices and sourcing hubs to help
embed into merchant strategies, processes, systems and buying
into developing new products. Associates often participate in
to help establish expectations up front.

to participate in training to understand how their decisions can
conditions and how they can reinforce positive facility working
new associate onboarding from Responsible Sourcing and
onal sessions, which typically include information on forced
-specific training. In FY19, Walmart trained more than 3,300
in its United States, Sam’s Club and International divisions on

Health Check Reports – to help hold suppliers accountable
e reports provide visibility of suppliers and supply chains that
responsible Sourcing and merchant associates use this
improvements to supply chain health.

Responsible buying practices in Asda

United Kingdom – is a member of Stronger Together, an alliance
labor and human trafficking by providing resources for
Sourcing team collaborated with Stronger Together to help

modern slavery within their daily lives – a first within the retail together. The campaign reached approximately 135,000 ice and stores. In addition, more than 2,600 Asda Home d Modern Slavery training via an eLearning module designed provides information on UK legislation, indicators of modern and how to report concerns. This online training is available [Sourcing Academy](#). For more information about Asda’s work to [Modern Slavery Statement](#).

th facilities that produce the products we sell, and Walmart’s expectations throughout the entire supply chain. There are ers to promote worker dignity.

rovides suppliers with access to training resources, best materials developed by third parties and by Walmart. The guidance – including the Global Compliance Guidance Tool – apply chain controls. Many of these resources are offered in

00 supplier representatives have registered on the more than 650 supplier representatives have completed in the Academy. We plan to continue adding resources to the pliers in FY20.

ociates conduct training and onboarding sessions with business Enablement teams reported that more than 2,300 in onboarding or category-specific training, which can cover a ed topics.

Governance and Monitoring

Annual risk assessment to better understand social compliance help us design solutions in countries and industries where risk management takes into consideration, among others, the following:

Risks are most likely to occur and where the impact of those risks are

Internal and external data, including raw counts of issues and rate of issues, as well as impact on people, operations, and reputation (in which impact on people has the

highest priority). This is based on Walmart-proprietary data, local intelligence, expert intelligence, and third-party reports to better understand the locations and supply chains in which issues

occur. This assessment consists of specific issues in particular product supply chains, which are integrated into the Responsible Sourcing Strategy design process, which includes the assessment of potential solutions (including existing or proposed measures to address the risk(s)). These measures may include strengthening our approved audit programs, changing our supply chain management practices, or implementing new supply chain initiatives.

All suppliers are subject to Walmart's Standards for Suppliers. Among other things, we require our suppliers – and those who supply to them – to: not use involuntary or underage labor; maintain a fair and safe working environment; comply with all applicable laws and agreements; provide reasonable working hours; recognize freedom of association and collective bargaining rights; and provide a safe working environment. Suppliers are expected to cascade these standards to their own suppliers. We include the Standards for Suppliers in supplier contracts and make them available in seven languages.

Our standards are regularly reviewed by our Governance team to meet the demands of changing risk areas. In FY19, Responsible Sourcing policies were reviewed

Auditing

All suppliers of Walmart disclosure – as outlined in our [disclosure](#) and [audit](#) – are required to take a risk-based approach to auditing suppliers' disclosed facilities. All facilities within the disclosure scope must be audited. We focus our audits on facilities located in countries with greater potential

...ing merchandise in or subcontracting to an unauthorized
...gible to do business with Walmart.

...re than 25,800 facilities in more than 100 countries that had
...t in “active” status.

...w internationally-recognized third-party audit programs:

...ative (BSCI)

...META)

...OOO

...(SIZA)

...duction (WRAP)

...cluding worker compensation, voluntary labor practices,
...ing hours, and facility health and safety standards. We
...; our Audit Program Management team collaborates with our
...ancements and share best practices across the programs for
...d global supply chain.

...mprove our risk-based audit program so we can better allocate
...and help increase overall compliance. However, we recognize
...gram can guarantee that every facility used by every supplier
...ls for Suppliers. Read more about our efforts and approach

... take on forced labor

...ot-cause solutions in high-risk supply chains, we are also
...dustry to be more effective at uncovering forced labor and

...ble Sourcing hosted the Forced Labor Forum, which brought
...dit programs, audit firms, NGOs and industry experts.

...arty audit programs play in promoting responsible
...rinciple (EPP), in addition to how programs can better
...te forced labor.

...ipants reported that they now place more importance on
...k situations and better understand how to measure EPP
...t. In addition, participants reported that they continue to
...g the forum to improve practices across the audit industry.

...expect our approved audit programs to begin implementing
...d labor, identify facility-specific risks, and measure EPP

...ocial-compliance audit industry

orted by companies that rely on social compliance audits, led the Association of Professional Social Compliance Auditors (APSCA) to establish professionalism and credibility within the social-compliance industry. APSCA has developed a Code of Professional Conduct, created a set of standards, registered auditors, and begun the auditor examination process. More than 3,200 auditors have registered with APSCA, indicating a strong commitment to sit for the APSCA certification examination.

Only social compliance audits be conducted by an APSCA-registered auditor will be considered acceptable by Walmart. In the future, Walmart will only source from APSCA-certified auditors.

The Sourcing team serves as a member of the APSCA Executive

Committee to report against our Standards for Suppliers to identify higher-risk areas such as human trafficking, underage labor, and unsafe working conditions. The committee provides suppliers with important information to help address these issues and reduce their impact for workers.

We received more than 14,700 audit reports. Of the audits assessed, 88.9% received Green, 10.8% received Orange, and 0.3% received Red. An additional 0.0% of facilities participating in our small supplier program and did not receive a rating.

Green, Yellow, Orange or Red. Green ratings represent full compliance; yellow ratings identify facilities that audits show compliance with standards but have failed to meet at least one important standard; orange ratings indicate facilities where we have found more serious issues such as non-payment or payment, forced labor, worker intimidation or harassment, and excessive working hours.

Facilities with orange ratings as they work to remediate issues. Facilities engaged with suppliers can have a more positive impact on their relationship. For example, in FY19, more than 480 facilities were rated Green. However, facilities with three consecutive orange ratings are considered high risk and may result in temporarily or permanently ceasing to produce product for Walmart.

ance and Investigations

isms to raise concerns about violations of our Standards and our Ethics hotline. To help inform supply chain workers of our reporting channels, we provide a series of posters that suppliers use. The posters focus on issues of higher risk to workers, such as child labor, forced labor, risks, unsafe working conditions, working hours and wages, and the posters offer several channels to report issues of concern, including our Ethics hotline, available on our corporate website. As of January 31, 2019, we have translated these posters into 10 languages, and we plan to continue to add languages this year.

Issues are referred to the Responsible Sourcing investigations team or the Ethics team.

In China, a supplier had falsified information during a recent audit. In addition, we identified additional issues that could cause potential risk to workers. The supplier has not substantiated these claims. The facility received a Red Card.

Investigations

Through audits, Walmart investigates certain alleged issues at supplier facilities. In FY19, our Responsible Sourcing team opened more than 1,000 investigations of supply chain misconduct. These allegations were the results of various reporting channels, including grievance mechanisms such as the Walmart Ethics hotline. Investigations may include worker interviews and onsite visits.

We work directly with the supplier. This issue response process includes addressing the allegations, a clarification of expectations, and review, and may result in a remediation plan. In FY19, Walmart used the issue response process for 1,000 investigations.

Investigations can result in consequences for suppliers, facilities or both – up to and including removal from Walmart and its subsidiaries. Since 2012, we have stopped doing business with 1,000 suppliers in response to serious violations of our Standards.



