

CULTURE, DIVERSITY & INCLUSION REPORT

Walmart 

Fiscal Year 2021 Mid-Year Report



BUILDING A WALMART FOR EVERYONE

A message from Donna Morris, Executive Vice President, Chief People Officer – Walmart Inc

2020. The year we'll never forget – and one that has changed us. In so many ways, this year will hopefully make us collectively stronger, more thoughtful and more human. At the beginning of the year, we could have never imagined we would be enduring an unprecedented global pandemic and domestic civil unrest.

The beginning of this year is when I joined Walmart – February 2020. I was inspired by Walmart's focus on people, the company's purpose and values, and the opportunity to make a difference. While this year has been drastically different than we all could have imagined, one thing has endured: our company's relentless focus to build a Walmart for everyone. This challenging time is only pushing us to move faster, drive for more change and be focused on significant progress.

This year has also compelled me to reflect on my own journey to become an American citizen. My husband, son and I moved to the United States from Canada in 2002 and became American citizens a decade later. It was a proud moment, and one which we carefully considered as a family and deliberately sought to pursue.

As I remember that journey, I think about what it really means to be an American. The disparate impact COVID-19 has had on communities of color, the murder of George Floyd, and the necessary and long overdue examination of systemic racial inequity in this country have all led me to conclude that the American dream is not the same for all people. But with a workforce of 1.5 million in the U.S., and 20.69% Black and African American associates we have an incredible

opportunity to role model and strive for racial equity.

Walmart has long embraced diversity and inclusion – those principles are at the core of our values. We are focused on creating a more diverse, inclusive team at every level, and one of the key immediate actions is to increase transparency. This mid-year report is a result of one of the many commitments we've made this year to be more transparent about our progress to foster increased diversity across our business.

The report outlines steps we're taking to introduce and expand racial equity training, including requiring all U.S. officers to complete a required two-day Racial Equity Institute program. We're also focused on driving internal movement and advancement through diverse hiring teams and candidate slates, as well as first posting internally all new or replacement positions at or below the vice president level.

Ultimately, the role in building a more inclusive environment starts with every associate working at Walmart, and we're taking steps to make that happen every day. We will win in retail and business through our humanity, and we'll display our humanity when we do our best to be open, understanding, kind, and accepting of others as their authentic selves.

We have an incredible opportunity as a company, and we will fulfill our purpose by starting internally, and then externally contributing to helping people save money and – even more importantly – living a truly better life.



LISTEN, LEARN & LEAD A FORMULA FOR HOPE

A message from Ben Hasan, Senior Vice President and Chief Culture, Diversity & Inclusion Officer

My mom taught me a lot of valuable life lessons. One of my favorites that I reference to this day is that you've got two ears and one mouth so you should listen twice as much as you speak.

I recently heard a leader from another company mention she received the same advice from her own mother. I am pretty sure she and I weren't the only two people to have been given this sage wisdom. Yet mainstream and social media and our day-to-day interactions can sometimes leave us feeling that as a society we have the equation backwards. We're all guilty from time-to-time of being so quick to respond, refute and rebuff that we entirely miss the point of what the other party is trying to say.

This year has been filled with unprecedented challenges from the global COVID-19 pandemic and the discrimination targeted at Asians and Pacific Islanders that came with it to the heinous murder of George Floyd and the civil unrest that ensued. Yet during all this tragedy and uncertainty there have been moments of hope and progress. We must be focused in finding and holding onto those precious moments of hope veiled by hurt because they are what will sustain us.

A single week in June brought two such moments as the Supreme Court of the United States first determined that the discrimination protections outlined in the Civil Rights Act of 1964 extend to gay, lesbian and transgender people. The Court then voted to uphold the Deferred Action for Childhood Arrivals (DACA) program which

provides 650,000 immigrants known as Dreamers with protection from deportation. Then there was the stunning reversal of position that saw the National Football League's Washington franchise announce it would change its name from a racial slur that's found deeply offensive by Native Americans. All of this has happened against a backdrop of unrivaled commitment to racial equity by mainstream society and corporations like Walmart.

These moments of hope are the result of a lot of factors, however most can be traced back to us listening more than we speak. When we do, we are best positioned to hear what is on the hearts and minds of one another and see our shared humanity. I've been so proud of Walmart's senior leaders who've been intentional in holding listening sessions to truly understand how the pandemic and matters of racial inequity impact the daily lives of our associates.

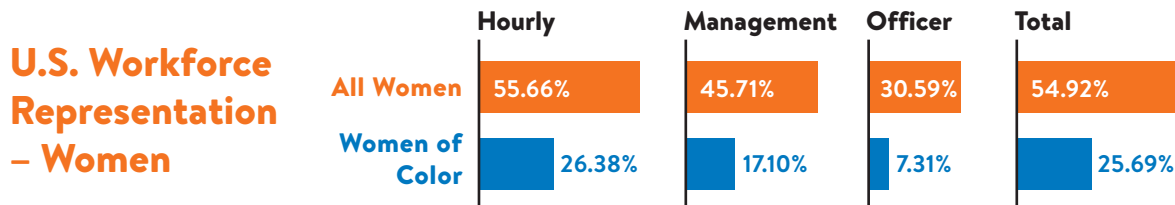
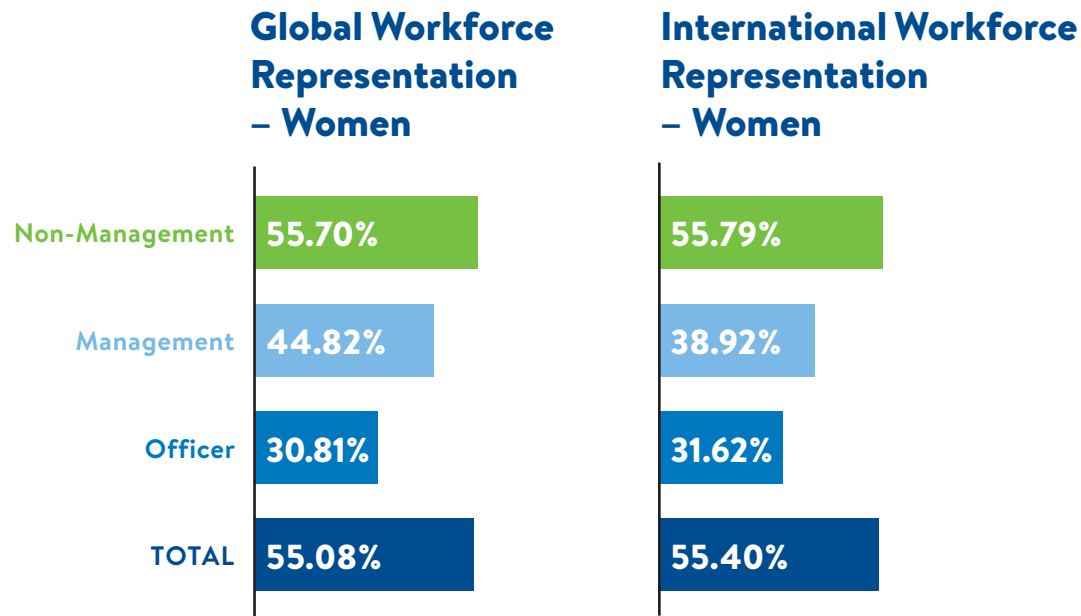
Listening is a critical first step, but it is not sufficient on its own. We must follow up our listening with a commitment to learn and then to lead. It's only when we are willing to understand another point of view, allow that to change our thinking, and then take action that we'll continue to make progress. If this year has taught me anything, it's that none of us knows what tomorrow will bring. What I do know is that if we're all committed to listen, learn and lead, there's hope that tomorrow will be a little more inclusive and equitable than today.



Diversity & Inclusion

BY THE NUMBERS

Data as of June 30, 2020 for International markets and composites and as of July 31, 2020 for the United States. Global data is the combination of International and U.S. data from these respective reporting periods.



Total Associate Count by Market	
Global [†]	2,146,808
United States	1,446,542
International	700,266
Africa*	45,670
Argentina	9,202
Canada	98,951
Central America**	37,595
Chile	45,661
China	93,193
India [†]	5,007
Japan	35,650
Mexico	191,613
United Kingdom	137,724

Total Workforce Representation by International Market – Women	
Africa*	48.58%
Argentina	44.54%
Canada	54.29%
Central America**	42.85%
Chile	57.05%
China	65.55%
India [†]	19.05%
Japan	64.03%
Mexico	54.92%
United Kingdom	54.97%

U.S. New Hires by Gender and Ethnicity

All Women	47.55%
Women of Color	26.80%
People of Color	55.03%
African American/Black	27.96%
Asian	2.90%
LatinX	18.27%
Native American/Alaskan Native	1.17%
Native Hawaiian/Pacific Islander	0.45%
2+ Races	4.28%

U.S. Workforce Representation by Ethnicity

	Hourly	Management	Officer	TOTAL
People of Color	46.44%	36.25%	24.89%	45.68%
African American/Black	21.42%	11.64%	6.85%	20.69%
Asian	3.95%	10.31%	8.90%	4.42%
LatinX	16.90%	10.00%	5.48%	16.39%
Native American/Alaskan Native	1.07%	0.82%	0.46%	1.05%
Native Hawaiian/Pacific Islander	0.50%	0.35%	-	0.49%
2+ Races	2.60%	3.13%	3.20%	2.64%
Caucasian	53.32%	63.75%	75.11%	54.10%

U.S. Promotions by Gender and Ethnicity

	Hourly-to-Hourly	Hourly-to-Management	Management-to-Management	TOTAL MANAGEMENT PROMOTIONS
All Women	58.55%	41.70%	44.30%	44.04%
Women of Color	29.21%	21.24%	20.87%	20.90%
People of Color	49.06%	46.20%	44.68%	44.84%
African American/Black	22.10%	17.76%	17.10%	17.17%
Asian	3.48%	5.02%	7.91%	7.62%
LatinX	18.33%	17.63%	14.84%	15.12%
Native American/Alaskan Native	1.15%	1.16%	0.73%	0.77%
Native Hawaiian/Pacific Islander	0.55%	0.26%	0.57%	0.54%
2+ Races	3.45%	4.38%	3.53%	3.62%

DEFINITIONS & DISCLOSURES

Global: Aggregate of International and U.S. data

United States: All 50 states, excludes Puerto Rico

International: *Africa (Botswana, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Uganda and Zambia), Argentina, Canada, **Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua), Chile, China, India, Japan, Mexico, and United Kingdom

† Excludes associates of Flipkart, PhonePe and Myntra in India and eCommerce associates in Ireland and Israel

Non-Management

- U.S.: All hourly associates, excluding temporary associates
- International: Administrative, professional and frontline field associates

Management

- U.S.: All salaried, exempt associates
- International: Senior directors, directors, managers, and field managers

Officer

- U.S.: President, Executive Vice President, Senior Vice President and Vice President positions

- International: Determined using Hay Points scale with officer-level positions being those scored between 1,261-7,000 on the scale

Women of Color: An aggregate composite of U.S. women including African American/Black, Asian, LatinX, Native American/Alaskan Native, Native Hawaiian/Pacific Islander, and women of two or more races

People of Color: An aggregate composite of U.S. associates including African American/Black, Asian, LatinX, Native American/Alaskan Native, Native Hawaiian/Pacific Islander, and individuals of two or more races

MOVING THE NEEDLE

Our approach to culture, diversity & inclusion

Vision: Everyone Included. By fostering a workplace culture where everyone is—and feels—included, everyone wins. Associates are happier, perform at their best and in turn, provide better service to our customers and members.

Mission: The Global Office of Culture, Diversity & Inclusion's mission is to create an inclusive culture where all associates are engaged to deliver on our purpose of saving people money so they can live better.

Definitions

CULTURE: Our values in action (Service, Respect, Excellence and Integrity)

DIVERSITY: The unique identities, experiences, styles, abilities and perspectives of our workforce, reflecting communities we serve.

INCLUSION: The intentional action of understanding, supporting and championing individuals in all of their uniqueness (identities, experiences, styles, abilities and perspectives) — resulting in a culture where all associates feel welcome, comfortable and safe and are empowered to reach their full potential every day.

RACIAL EQUITY: When people of every race have what they need to thrive, and race is no longer a determining factor in shaping an individual's life outcomes.

Inclusive Leadership Expectations

Next generation leaders must develop and demonstrate an evolved and ever-evolving set of characteristics to achieve both business results and personal career growth. One element all our leaders of today and tomorrow will need is inclusive leadership skills. Inclusive leaders are committed, curious, courageous, cognizant of bias, culturally intelligent and collaborative, according to a study published by Deloitte. These attributes are critical if we are to drive innovation through inclusion.

To develop Inclusive Leadership at Walmart, more than 72,000 associates have Inclusive Leadership Expectations as part of their annual performance evaluation. Associates with Inclusive Leadership Expectations must:

- Participate in at least one approved Inclusive Leadership Education offering such as Unconscious Bias training, LGBTQ Ally training, Values Based Decision Making workshop, or a Dining in the Dark session
- Actively mentor two associates, host a mentoring circle or participate as a mentor in a program such as Lean In Mentoring Circles

Guiding Principles

Our four guiding principles shape our approach to improving the company's CDI health and set the foundation for sustainable change across the enterprise:

Objectivity — Minimize subjectivity to reduce the risk of bias in talent processes

Transparency — Increase access to information through communication and collaboration

Data-driven decisions — Collect and analyze data, and generate verifiable insights to make better decisions

Accountability — Promote action through ownership and acceptance of responsibility for inclusive behaviors

Strategic Objectives

Activate our culture — Equip every associate to be an inclusive leader who leads and makes decisions based upon our cultural values of Service, Respect, Excellence and Integrity

Associate life cycle integration — Integrate culture, diversity and inclusion principles into every facet of the associate life cycle—recruit, hire, develop, promote and retire

Build an inclusive brand — Create a trusted brand experience that makes people feel like there's a place for them in the Walmart ecosystem—as a customer, associate, supplier or community partner

Modernized measures — Leverage scorecards and dashboards to track key performance indicators on diversity (representation) and inclusion (engagement and sentiment indices) to inform action plans for continued progress

PRESIDENT'S INCLUSION COUNCIL

Now more than ever, strengthening the diversity and inclusiveness of our leadership and work environment must be a primary focus. The current landscape of political and social divisiveness means that our associates and customers need the humanity of Walmart that results from us operating at our natural best. Our vision of creating a culture where everyone is included is gaining momentum and is a business imperative we expect all our leaders to champion.

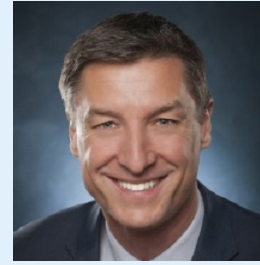
The senior leaders selected for the 2020-22 President's Inclusion Council were chosen because of their influence and reputation for modeling the behaviors consistent with inclusive leadership. They're curious, courageous and culturally competent, and each of them understands that a diverse and inclusive business is an innovative and successful business.

The purpose of the President's Inclusion Council is to serve in an advisory capacity for Doug McMillon, President & CEO – Walmart Inc, the Executive Committee and the entire organization to help Walmart sharpen its culture and dial up the inclusiveness across the enterprise. The goals of the Inclusion Council are largely focused on helping us improve our talent pipeline and diverse representation in senior leadership by operationalizing practices, principles, and processes related to Walmart's Culture, Diversity & Inclusion strategy, including talent life cycle integration, modernizing measurements, building an inclusive brand, and activating the culture.

The council members were chosen by Doug, and the group features a representative for every business unit and corporate center of excellence. The current cohort officially began on Feb. 1, 2020, and will serve a two-year term through the end of FY22 (Jan. 31, 2022). They will meet monthly as a group with Doug joining on a quarterly basis.



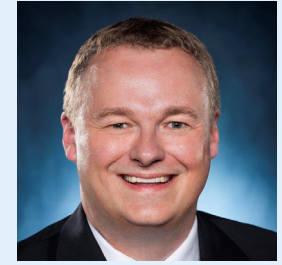
Chair: Doug McMillon
President and CEO
– Walmart Inc



Council Lead: Richard Mayfield
Executive Vice President & Regional CEO – Walmart Mexico y Central America, Canada and the U.K.



CDI Adviser: Ben Hasan
Senior Vice President and Chief Global Culture, Diversity & Inclusion Officer



Brian Besanceney
Senior Vice President and Chief Communications Officer – Walmart Inc



Ella Chan
Vice President – Business Initiatives, Sam's Club



Tim Cooper
Senior Vice President – Supply Chain, Walmart U.S.



Isabel Cruz
Senior Vice President – People, Global Technology



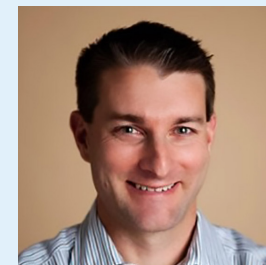
Eddie Garcia
Senior Vice President and Chief Product Officer – Sam's Club



Chandra Holt
Executive Vice President and eCommerce Chief Merchandising & Integration Officer – Walmart U.S.



Kerry Kotouc
Senior Vice President and General Counsel – Walmart U.S.



Jeffrey Shotts
Senior Vice President – Marketplace, Walmart U.S. eCommerce



Amanda Whalen
Senior Vice President – Tax & Treasury, Walmart Inc

MAKING A DIFFERENCE ON RACIAL EQUITY

At Walmart we are committed to creating communities and a workplace culture where everyone feels they belong. This means continuing our focus on building teams that are diverse and inclusive and fostering an environment where people have the opportunity for continued growth and development as well as providing philanthropic support for initiatives that address systemic inequities.



We believe we are stronger as a company and society when people are heard, included and empowered, and so we are invested in creating more diverse, inclusive communities and teams in the following ways:

► Center on Racial Equity

In June 2020, Walmart and the Walmart Foundation made a \$100M, five-year commitment to create the Center on Racial Equity. The Center will support philanthropic initiatives aimed at helping advance economic opportunity and healthier living, including issues surrounding the social determinants of health; strengthening workforce development and related educational systems; and supporting criminal justice reform with an emphasis on examining barriers to opportunity faced by those exiting the system.

Initiatives of the Center will fund research, advocacy, innovation of practices and tools, stakeholder convening, and support the work of Black philanthropic leaders and organizations that serve Black communities. The Center will also provide counsel across Walmart to increase understanding and improve efforts that promote equity and address the structural racism that persists in America.

► Increased Transparency

We are committed to increasing reporting on the diversity of Walmart Inc to twice a year and expanding the scope of metrics we disclose. Pages 4-5 of this report include new disclosures on U.S. representation by ethnicity at the hourly, management and officer levels; U.S. women of color representation; U.S. promotion and new hire data by ethnicity; and global and international gender representation at the non-management, management and officer levels.

► RACE Ahead

Walmart launched the RACE Ahead (Raising Authentic Conversations on Equity) series in June 2020 with a panel conversation featuring senior company leaders discussing Walmart's response to racial inequity and the disparate impact of COVID-19 on communities of color. The series also has featured a session celebrating Juneteenth and one on how to talk to your kids about race. Each session seeks to create a safe space for transparent, relevant and solutions-oriented conversations that are respectful and inclusive of all perspectives.

► Enhanced People Practices

We will continue to improve our people practices with a focus on hiring, developing and rewarding our associates; identifying opportunities to further enhance diversity across all levels in the organization; and holding our leaders accountable in our efforts to make progress. One way we will accomplish this is through diverse hiring teams and candidate slates and evolving our standard practice so that all new or replacement positions from the vice president level and below are posted internally first, driving internal movement and development.

► Racial Equity Training

We were intentional and strategic in 2018 when we began working with the Racial Equity Institute (REI) to deliver training focused on examining systemic racial inequity in its institutional and structural forms. More than 500 associates have completed REI's two-day Phase I training to date, and the workshop is now a requirement for all U.S. officers to complete by Jan. 31, 2021. A self-paced race and inclusion curriculum was also launched in August 2020 for all U.S. associates and includes learning paths on cultural competence, becoming an ally, inclusive leadership and racial equity.

Awards & Recognition

#32 – 2020 DiversityInc Top 50 Companies for Diversity

2020 Bloomberg Gender-Equity Index

100% – 2020 Disability Equality Index (DEI)

100% – 2020 Human Rights Campaign (HRC) Corporate Equality Index

5-Stars Employment, Governance & Procurement – 2020 Hispanic Association on Corporate Responsibility (HACR) Corporate Inclusion Index

INTRODUCING SHARED VALUE NETWORKS

Doug McMillon, President & CEO – Walmart Inc, announced in June 2020 the investment of business and philanthropic resources to support strategies aimed at increasing fairness, equity, and justice in aspects of everyday life. The investments are particularly focused on racial equity in our nation’s criminal justice, education/workforce, financial and healthcare systems.

A group of four Shared Value Networks (SVNs) have been created to help society address the root causes of racial disparities in these systems. SVNs are teams of Walmart associates that come together to help solve societal problems through business by identifying the natural overlaps between Walmart capabilities (products, services, technology, sourcing, jobs and advancement, etc.) and opportunities to advance racial equity at scale. Each SVN team is currently engaged in discovery to actively identify issues Walmart can help address, and the preliminary stages of the SVN initiative have been guided by the following questions:

- **CRIMINAL JUSTICE:** How can our hiring and onboarding processes help non-violent, formerly incarcerated applicants be appropriately considered and supported as they re-enter the workforce, including with Walmart?
- **EDUCATION:** Are there racial disparities in our internal development programs for associates and, if so, why do they exist and how should we adjust the programs? How do we strengthen our recruiting of diverse associates, including at Historically Black Colleges and Universities (HBCUS)?
- **FINANCIAL:** How can what we buy and sell support a more diverse group of suppliers and marketplace sellers? How can we leverage parts of our business to increase access to capital for women and people of color?
- **HEALTHCARE:** How can Walmart improve healthcare outcomes for women and people of color as we build a more holistic healthcare business in the United States?

These questions have no simple answers, and taking immediate action where possible will be balanced with acquiring the deep understanding necessary to help replace the structures of systemic racism within society.

SVN TEAM LEADS



CRIMINAL JUSTICE SVN

Latriece Watkins
Executive Vice President –
Consumables, Walmart U.S.



EDUCATION SVN

Keith Wyche
Vice President – Community
Engagement & Support,
Walmart U.S.



FINANCIAL SVN

Wayne Hamilton
Vice President – Specialty Tax



HEALTHCARE SVN

Warren Moore
Vice President – Health &
Wellness Central Operations,
Walmart U.S.

SVN STEERING COMMITTEE



Doug McMillon
President & CEO –
Walmart Inc



Dan Bartlett
Executive Vice President –
Corporate Affairs



Rachel Brand
Executive Vice President –
Global Governance, Chief Legal
Officer & Corporate Secretary



Ben Hasan
Senior Vice President and
Chief Global Culture,
Diversity & Inclusion Officer



Donna Morris
Executive Vice President, Chief
People Officer – Walmart Inc



Dacona Smith
Executive Vice President &
Chief Operating Officer –
Walmart U.S.



Latriece Watkins
Executive Vice President –
Consumables, Walmart U.S.

GLOBAL OFFICE OF
CULTURE
DIVERSITY
& INCLUSION



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