

Walmart Inc. Annual Shareholders' Meeting Q&A – June 3, 2020

Set forth below are responses to questions we received during the Q&A session following our 2020 Annual Shareholders' Meeting held on June 3, 2020 that we did not have time to answer during the meeting. In a few cases, we have consolidated multiple questions on the same topic and provided a summary response. We have also made minor edits for clarity and to correct typos. In addition, we have omitted comments where no question was asked, and omitted technical or logistical questions regarding the virtual meeting platform.

The answers to these questions, including any forward-looking statements, reflect management's views as of June 3, 2020. Please refer to the disclaimer regarding forward-looking statements posted on the 2020 Annual Shareholders' Meeting website at www.virtualshareholdermeeting.com/WMT2020.

Q—We received questions regarding store hours, mask policies and other operational questions related to COVID-19.

A—Walmart is working hard to help our communities respond to COVID-19 while prioritizing the health, safety, and wellbeing of our associates and customers. For more information, please visit <https://corporate.walmart.com/here-for-you>.

Q--We've seen the headlines from across the nation about coronavirus outbreaks at Walmart & associates who have died. How many cases of COVID-19 have there been among WMT associates? How many associate deaths?

A—Walmart relies on local health departments as the source of confirmed cases and therefore we are not sharing an official number at this time. We have felt the impact of this awful virus within our Walmart family, and we mourn the loss of some of our own. Several of our stores located in some of the country's hot spots have been affected by the pandemic. It may be impossible to track the source of anyone's infection, especially in some of these communities that have felt the devastating impact of the virus. That's why we are working in partnership with local health officials and are taking proactive steps to help ensure the safety of our associates and customers.

We are following the evolving guidance of public health experts and we have quickly taken steps aimed at keeping our customers and associates safe, including mandatory facial coverings and making masks and gloves available to all associates, limiting the hours and number of customers in our stores and clubs, deep cleaning facilities, taking temperature checks and health screenings of associates, installing plexiglass guards and implementing social distancing measures in all of our facilities. For more information, please visit <https://corporate.walmart.com/here-for-you>.

Q—We received questions regarding risk management and litigation related to COVID-19.

A—As noted above, at this time our focus is on the health, safety and wellbeing of our associates and customers. For more information, please visit <https://corporate.walmart.com/here-for-you>.

Q—Will you ever enter the food service business?

A—We have no current plans to enter this industry.

Q—Going forward, will online sales of the largest companies revert to some mean and become a greater portion of their business and what are you doing now to cause this process to occur even faster?

A—Walmart has been pursuing an omnichannel strategy focused on leveraging our unique assets to serve customers in all the ways they want to shop – whether they are shopping online at Walmart.com, through our mobile apps, or shopping in a store or club. The current health crisis has increased the speed of adoption of eCommerce and omni solutions. Our omni-channel investments have us in a unique position to serve customers in ways others can't. The strategic importance of providing multiple options for customers has never been clearer.

Q—How are Walmart and Sam's Club ensuring that they stay in touch with the needs of their associates and are treating them like family?

A—During the present crisis, we've been focused on the safety of our associates, customers and members. We've taken concrete steps to recognize our associates, including:

- Two special cash bonuses to all U.S. hourly associates totaling approximately \$755 million; U.S. hourly associates in Fulfillment Centers are receiving a \$2/hour temporary pay increase.
- We accelerated payment of our Q1 MyShare bonuses by one month so that associates received it early, totaling nearly \$170 million.
- For a limited time, Walmart is providing free unlimited wage access on a weekly basis (unless restricted by law).

For more information, visit <https://corporate.walmart.com/here-for-you>.

Q—Why is director compensation so high? Teachers are entrusted with a parents most prized treasure and are lucky to get a third of that. Many directors have more than one directorship.

A—Walmart's director compensation is intended to provide fair compensation commensurate with the work required to serve on a board of a public company of Walmart's size, scope and complexity. We undertake a robust board evaluation and refreshment process and we have a diverse and highly skilled board that is a strategic asset.

Q—How many stores has each member of the board physically visited since March 1, 2020?

A—While we do not disclose individual director activities, as our business has continued to operate through the pandemic, our board has remained highly engaged as we navigate the current crisis. Our board members participate in company activities and engage directly with our associates at a variety of events throughout the year, including store visits and visits to our eCommerce and other facilities.

Q—Why won't you sell “No Safe Spaces” on DVD in your stores? One of the movie leads, Adam Carolla, told Newsweek that it is ironic that a movie "about the importance of allowing Americans to share ideas freely" was deemed unfit for sale at Walmart. "You can't make this stuff up. It's a free country and Walmart is free to ban our movie.”

Walmart’s merchandising decisions are based on data-driven customer insights. While stores are not offering this movie for sale, both the book and ebook versions of *No Safe Spaces* are available for purchase at <http://Walmart.com>.

Q—Is Walmart expecting a stock split?

A—We do not forecast future stock splits.

Q—How is Walmart planning to utilize the money saved by hosting the Annual Shareholders’ Meeting virtually this year?

A—Across the business, we’re focused on operating efficiency and leveraging expenses. This provides the flexibility to reinvest in the business through lower prices, growth initiatives, etc. The cost savings from conducting a virtual shareholders’ meeting would be handled similarly.

Q—How many shareholders does Walmart have?

A—As of April 9, 2020, Walmart had 217,781 shareholders of record.

Q—Does each shareholder have one vote, or do they have one vote per share?

A—Shareholders have one vote per share of Walmart common stock. The record date for shareholders entitled to vote at the 2020 Annual Shareholders’ Meeting was April 9, 2020.

Q—Some of us associates give our all to our jobs. Why are we not given the chance to move up in the company?

A—At Walmart, we are proud to provide opportunities for advancement for our associates. We provide opportunities to move beyond entry-level jobs by giving associates clearer career paths, skills-based training and more control of their schedules. More than 75% of our Walmart U.S. store operation management team members started as hourly associates and on average, store managers earn more than \$180,000 annually. During our last fiscal year, more than 200,000 U.S. associates were promoted to jobs of greater responsibility and higher pay.

Over the past five years, we've made incremental investments of more than \$5 billion in training, education and higher pay for store and club associates in the U.S. alone. We developed educational opportunities, enabling our associates to be prepared for their current role and prepare them for promotions. Since we launched Live Better U in 2018, we’ve had more than 25,000 participants from all 50 states, with more than 3,000 associates completing an LBU program. In total, associates have completed more than 130,000 college credits through LBU worth a total of \$58.2 million and it costs our associates about \$1 a day.

Walmart has represented a ladder of opportunity since we started the business, and we want to make sure that's the case going forward everywhere we operate, including here in the U.S. We are proud to be a company where an associate can start in an entry-level job and turn it into a successful career. For more information, see <https://corporate.walmart.com/newsroom/topics/opportunity>.

Q—Are there plans to increase pay for associates to remain competitive in the job market?

A--. Our associates' wellbeing, financial, physical and emotional remain our priority. Over the past five years, we've made incremental investments of more than \$5 billion in training, education and higher pay for store and club associates in the U.S. alone.

Associates have provided great feedback about these investments. We'll stay competitive on pay, but hourly pay isn't the only benefit Walmart provides. We offer:

- Average total compensation and benefits that are now more than \$18 an hour including part-time associates.
- Quarterly cash bonuses that totaled more than \$730 million last year and were earned by a majority of our US associates.
- A 401(k) match of 6% where we invested more than \$1 billion last year for 650,000 associates.
- Enhanced parental leave policy that can provide up to 16 weeks of paid time off for a birth mom
- A \$5,000 adoption benefit per child that may be used for expenses such as adoption agency fees, translation fees and legal or court costs.
- Flexible healthcare plans that start as low as \$29 per pay period.

Q—What is the impetus of investing in Israeli cyber group Team8, a new venture capital fund? Also, what is the reasoning behind removing firearms and ammunition from some Walmart stores?

A—Our digital transformation is underpinned by more connectivity than ever before. We joined Team8's coalition because of their cybersecurity expertise and their unique access to insights from other sectors.

In light of the recent civil unrest in some areas, we temporarily removed firearms and ammunition from the sales floor in some stores in those areas out of an abundance of caution. Those items remained available for purchase but were being stored in a secure room. We expect the firearms to be back on our shelves by the end of the week.

Q--In several international and socially vulnerable markets, i.e. Mexico, since 2019 Walmart is processing a large layoff campaign of associates to reduce costs and improve their results. During the pandemic this process is continuing. Do you think this could generate an image damage long term?

A— Our first priority has been supporting our associates while also working to support the communities that rely on us. In every country where we operate, their physical safety, financial health, and emotional well-being have been at the top of our list. In the U.S., we've done that by providing extra pay and benefits. We've done similar things in our international markets to support and reward associates.

Q—Does Walmart have future plans to buy more items made and sourced in the USA?

A— As we've said, according to data from our suppliers, items that are made assembled, sourced, or grown here account for about two-thirds of what we spend to buy products at Walmart U.S. Based on data from Boston Consulting Group, it's estimated that Walmart's \$250 billion Investing In American Jobs commitment could create 1 million new U.S. jobs, including direct manufacturing job growth of approximately 250,000, and indirect job growth of approximately 750,000 in the support and service sectors.

Q—Do you check on the stock of your competitors on an ongoing basis?

A—We keep a close eye on our competition in all respects, including Walmart's relative stock performance versus competitors.

Q—Doug-you once expressed at a meeting that a Walmart manager could earn as much as a doctor-what are you doing to expand on this?

A—As noted above, we are proud to provide opportunities for advancement for our associates. More than 75% of our Walmart U.S. store operation management team members started as hourly associates and on average, store managers earn more than \$180,000 annually. We provide opportunities to move beyond entry-level jobs by giving associates clearer career paths, skills-based training and more control of their schedules. Walmart has represented a ladder of opportunity since we started the business, and we want to make sure that's the case going forward everywhere we operate, including here in the U.S. Walmart offers a wide variety of career opportunities, low barriers to entry, competitive wages and benefits, and paths to advancement through on-the-job coaching, training and education. We are proud to be a company where an associate can start in an entry-level job and turn it into a successful career.

Q—What is Walmart doing in the utilities area and being able to decrease expenses?

A—Walmart was built on a foundation of Every Day Low Prices, which depends on us working with suppliers of all kinds to control costs and pass savings along to our customers. This includes energy costs in our own operations. Walmart actively engages in energy and utilities service management to drive Every Day Low Cost, improve the efficiency of energy use, grow the utilization of renewable energy to support the goal of being powered by 50% renewable energy by 2025, and provide resilience for our operations. In some markets, Walmart directly engages in utility rate-setting processes and collaborates with utility vendors on energy-saving measures and renewable resources.

Q--Is "Store of the Community" still a strong company program? I know that for many years this program drove great sales in the many different markets and was actually highly supported by Sam Walton.

A—At Walmart, we are always focused on providing our customers with a broad assortment of the products they need, whether in-store, online, or a combination of the two. Store managers continue to have the ability to offer an assortment of products that are popular with the communities they serve and unique to their customer base.

Q—Is there a conflict between culture within each Walmart store and the Walmart culture?

A—Culture is the foundation of everything we do at Walmart and key to our success. We define culture as our values in action. It's how we deliver superior customer service, create a great work environment, and improve performance in order to achieve our common purpose of saving people money so they can live better. We have a variety of ways that we solicit feedback from our associates regarding the culture, and associates also have multiple avenues to raise concerns, including our ethics hotline and our Open Door policy.

Q—Have you seen a step up in new customers and is there an increase in low income to middle income for example.

A—We've delivered comp sales growth in the U.S. for more than 5 consecutive years as our omnichannel strategy resonates with customers. For example, our pickup and delivery services are extremely popular and are bringing new customers to Walmart across income demographics.

Q-- When are the benches coming back? I have health issues and need to sit often.

A—In light of COVID-19 and as part of our efforts aimed at keeping our customers and associates safe, we have temporarily removed benches in some of our stores and clubs. For more information, please visit <https://corporate.walmart.com/here-for-you>.