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May 1, 2020

Gregory B. Penner
Chairman of the Board
Walmart
702 SW 8th Street
Bentonville, AR 72716

Dear Mr. Penner:

We write to you on behalf of the [Human Capital Management Coalition](#) (HCMC), an investor group with collective assets under management of over \$4 trillion, to ask that you specifically address the five key topics detailed below related to business continuity and workforce management in response to the COVID-19 pandemic at your upcoming annual meeting of shareholders (AGM). As long-term investors, we care deeply about the well-being of workers, their families, and the communities in which they reside. We view workers' well-being as inextricably tied to the sustainability of the business.

Specifically, Chairman Clayton and Director Hinman shared in their [April 8th statement](#), *The Importance of Disclosure – For Investors, Markets and Our Fight Against COVID-19*, that a company's disclosures should reflect "(1) where the company stands today, operationally and financially, (2) how the company's COVID-19 response, including its efforts to protect the health and well-being of its workforce and its customers, is progressing, and (3) how its operations and financial condition may change as all our efforts to fight COVID-19 progress."

With the SEC's statement in mind, we ask that you use your upcoming AGM and subsequent communications with investors to provide commentary on how the board is overseeing the following five areas:

- 1) **Enterprise risk management, business and supply chain continuity and pandemic planning**, including the company's conformity with CDC, WHO and other various federal and state guidelines. Investors would also appreciate information about the firm's enterprise risk management, which business units are continuing to function during this crisis and recovery, and which business units continue to face challenges.
- 2) **Financial implications**, including any guidance or summary of COVID-19's impact on balance sheet resiliency, revenue, liquidity, capital allocation, executive compensation, and near-term recovery.
- 3) **Workforce composition and adjustments** for full-time, part-time and contingent workforce members, including furloughs, layoffs and changes in work schedules and pay. In addition, please address any expected changes to the workforce once stay-at-home orders are lifted.



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- 4) **Employee benefits and protections**, including paid sick leave and any associated qualifying conditions for employees, as well as the company's policy on no retaliation against whistleblowers or any worker exercising their federally protected rights.
- 5) **Workplace health and safety**, including measures taken to determine the physical and mental health of the workforce, safety equipment provisions, and measures to enable social distancing.

Such disclosures are consistent with the key human capital workforce metrics and strategy, as proposed by the HCMC in its 2017 rulemaking petition to the SEC, which was subsequently supported by the SEC Investor Advisory Committee in March 2019.¹

In the face of the COVID-19 pandemic, we appreciate the challenges the board and management are facing in these unprecedented times. Your AGM will help provide a window into the board's proactive leadership, its preparedness, and the road to recovery over the coming months and further into the future.

We greatly appreciate your attention on this critical matter. HCMC members will be attending the AGM and following up to discuss your company's disclosure of key workforce metrics and your long-term strategy.

We look forward to your discussion of these issues at the AGM. In anticipation of this discussion, please provide how the Board will address these issues at the AGM by sending a response to Max Dulberger at Mdulberger@illinoistreasurer.gov or (217) 843-0132 of the Illinois State Treasurer's Office, who will share your communication with the HCMC.

Respectfully Submitted,

Human Capital Management Coalition
<http://uawtrust.org/hcmc>

Cc: Karen Roberts, Executive Vice President and General Counsel, Walmart

¹ See [2017 HCMC Rulemaking Petition](#); [Subsequent Comments](#); and the [SEC Investor Advisory Committee recommendation on Human Capital Management Disclosures, March 28, 2019](#). See also <http://uawtrust.org/hcmc>.