



OPEN



# Opportunity

## INCREASING ECONOMIC OPPORTUNITY

At Walmart, we believe that retail can be a powerful engine for economic mobility, both for our own associates and for workers across the sector. That opportunity can also extend to workers around the world, in all their diversity, who create the products that fill store shelves. We are committed to helping make retail and the retail supply chain a place of inclusive opportunity, where our jobs and purchase orders can help people build a better life for themselves and their families.



# Retail opportunity at Walmart

We're committed to helping associates at all job levels acquire the skills they need to advance.

In 2015, Walmart began methodically investing in our associates, based on our workforce philosophy of stability and mobility.

In the area of stability, for example, we have increased pay and strengthened benefits for full- and part-time hourly associates in the U.S. We believe that when employees have stability in areas like pay, advanced scheduling, paid time off (PTO), maternity and paternity leave, they're better able to take advantage of the education and training opportunities we offer. Our efforts include:

- Starting wage for all hourly associates in the U.S. is \$11 as of February 2018.
- Walmart U.S.'s average full-time field hourly wage as of March 2018 is \$13.99.
- U.S. health benefits start at around \$26 per pay period; this is roughly half the national average cost for single person coverage (offered to full- and part-time hourly associates who have worked an average of 30 hours per week in the last 12 months).
- We provide up to a six percent match after one year/1,000 hours on the job (offered to full- and part-time hourly U.S. associates).
- 401(k) contributions start on day one with the company. We provide up to a six percent match after one year/1,000 hours on the job (offered to full- and part-time hourly U.S. associates).
- We provide associates with their schedules two weeks in advance, so they can make any necessary arrangements to cover personal or family obligations (offered to full- and part-time hourly U.S. associates).
- Vacation, sick, personal and holiday are all rolled into one PTO program (offered to full- and part-time hourly U.S. associates).
- Maternity and parental leave policy for both full-time hourly (after 12 months of service) and salaried U.S. associates includes 10 weeks of paid leave for maternity and six weeks paid for parental leave—stackable for birth moms, meaning they can put together 16 paid weeks of leave.
- We provide adoption benefits of \$5,000 per child (offered to full-time hourly and salaried U.S. associates).

Walmart U.S.'s average full-time field hourly wage as of March 2018 is **\$13.99**



In the area of mobility, **we promoted more than 230,000 people** to jobs of greater responsibility and higher pay in the U.S. in FY2018. **Because we believe that acquiring new job-relevant skills opens up doors for our associates to advance beyond the frontline** (within Walmart or elsewhere), we are investing in employer-based training and development for hourly associates in the U.S.

A significant transformation is underway that's reshaping how retailers interact with customers. Technology is changing how we work, live and shop, and the effects of automation are on everyone's mind. In a world in which new skills are required to meet the rapidly changing demands of customers, we are investing in training for our associates to help meet the increasing expectations of our customers, including the use of technology. By training hundreds of thousands of associates on job-relevant skills through the programs described in this section, Walmart is playing a significant role in upskilling people in the retail sector.

### **Building foundational skills through Pathways**

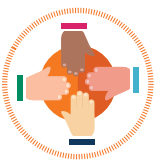
Our Pathways training program helps associates gain vital retail job skills, including skills in customer service, merchandising, teamwork and communications. The program incorporates both self-paced, computer-based learning and mentoring from supervisors, who are able to provide feedback on job performance and potential career opportunities as the training progresses. More than 400,000 associates have completed Pathways since its inception, and we're seeing higher retention among our entry-level associates as a result.

### **Building advanced skills through our Academies**

Within the last two years, Walmart has opened 183 Academies in the U.S., nearing our goal of 200. Each Academy serves some 25 nearby stores. Using cutting-edge technology in handheld devices and virtual reality, the academies offer two to six weeks of hands-on, immersive learning, combining both classroom study and training on the sales floor. The programs prepare associates for jobs as frontline hourly supervisors, department managers and assistant managers, teaching skills in management, finance and other areas necessary for advancement. As of January 31, 2018, more than 250,000 associates have completed the Academy training program since its inception, and we're seeing higher retention levels among graduates.

Digital literacy, a learning and growing mentality, customer service and problem-solving skills will be important in the future in almost any industry. Our training Academies and Pathways program allow us to provide hundreds of thousands of people the opportunity to develop relevant skills for the present and the future.

Workforce development is one of the biggest issues facing society today. We understand the importance of investing in our workforce and empowering them to advance their own careers through training and technology. We know we don't have all the answers, so we are partnering with others to continue to learn, grow and test new approaches.



# Fostering inclusion

Walmart employs more than 2.3 million associates in thousands of communities around the world. We believe it is our people, in all their diversity, and our culture that help make Walmart successful. We value a diverse workforce that represents the nearly 270 million customers who choose to shop with us in-store or online every week. Unique styles, experiences, identities, ideas and opinions help us innovate and win.

We are excited that women represent 30 percent and people of color represent 20 percent of U.S. corporate officers (senior executives) at Walmart, higher than the corporate average based on a study by McKinsey & Company and LeanIn.org. Furthermore, our overall associate representation of women and people of color is well above the EEO's national composite—but we are not satisfied. Just as we're reinventing how we serve customers, we're taking a closer look at how we can improve our hiring and more significantly our promotion of associates with diverse backgrounds. We are committed to creating inclusive environments in every part and at every level of our business.

We envision a workforce that reflects society in its diversity, and we value the talents and differences our associates bring to our company. A variety of perspectives enriches our culture, leads to innovative solutions for our business, enables us to better meet the needs of a diverse customer base and strengthens our business. We seek equity in representation and an inclusive culture, with equal pay for equal work.

While two of these commitments, Catalyst CEO Champions for Change and Paradigm for Parity, focus specifically on increased inclusion for women, we're widening the focus to include people of color and other diverse groups.



## Our approach

Our approach is to develop inclusive leaders and an inclusive culture, while also growing the pipeline of women and people of color at every level.

- **Developing inclusive leaders and measuring progress.** Inclusion is central to our culture. One way we encourage it is by reinforcing our culture, diversity and inclusion (CDI) principles—from day one and throughout each associate's career with Walmart. Using engagement survey feedback, metrics and inclusion indices, we're measuring our progress and informing future priorities. Introduced in 2016, our CDI scorecard has proven to be a valuable tool, providing a quarterly, actionable report that is reviewed by senior management.
- **Recruiting, engaging and retaining a diverse workforce.** Our focus on diverse talent in our recruiting process is key to retaining, growing and advancing our associates. For example, we recruit from a wide range of institutions, events and conferences, including those that serve diverse populations, such as Historically Black Colleges and Universities. We also use best practices, such as gender-neutral job descriptions and diverse hiring slates to attract and hire diverse talent.

But hiring is only one part of the equation. The corporate pipeline, starting from entry-level and leading all the way to the C-suite, needs better representation from women and people of color if we are to move beyond the status quo.

- **Our Culture.** Diversity of markets, customers, ideas and talent is driving the need for inclusion as a stronger leadership capability. Inclusive leaders are curious, courageous and live the culture. They embrace individual differences and use them to strengthen their teams.

Recognizing and addressing unconscious bias is key to developing inclusive leaders, so we have been providing training in this area.

In another example, one tool we have used to enhance both associate engagement and retention is our Associate Resource Groups (ARGs), established more than 12 years ago. The ARGs offer associates an opportunity to network, build relationships, find development opportunities and make a positive impact in our company and the community. Our seven ARGs include Advocates for Disability Awareness and Education; African American Business Resource Group; Asian Pacific Associates Network; Hispanic Latino Associate Resource Group; PRIDE LGBT group; Tribal Voices Native American group; and Women’s Resource Council.

## WOMEN REPRESENTATION

- 55% Total U.S. workforce
- 43% U.S. Management
- 30% U.S. Corporate officers
- 55% U.S. hourly promotions
- 44% U.S. management promotions

## PEOPLE OF COLOR REPRESENTATION

- 44% Total U.S. workforce
- 32% U.S. Management
- 20% U.S. Corporate officers
- 46% U.S. hourly promotions
- 37% U.S. management promotions

INITIATIVE	COMMITMENTS
<b>Catalyst CEO Champions for Change</b>	<ul style="list-style-type: none"> <li>• Accelerate progress in the representation of women and women of color in executive/senior level positions over five years.</li> <li>• Accelerate representation of women on Board of Directors within five years.</li> <li>• Strengthen the pipeline of women through an annual deep dive of internal diagnostics and leverage best practices.</li> <li>• Benchmark and track inclusion and strengthen the culture of inclusion within the organization.</li> <li>• Share key metrics with Catalyst for benchmarking and reporting aggregate progress.</li> </ul>
<b>CEO Action for Diversity &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>• Continue to make our workplaces trusting places where complex—and sometimes difficult—conversations about diversity and inclusion are possible.</li> <li>• Implement and expand unconscious bias education. By helping our employees recognize and minimize their blind spots, we aim to facilitate more open and honest conversations.</li> <li>• Share both best practices and practices that were unsuccessful.</li> <li>• Create accountability systems within our companies to track our own progress and to share regular updates with each other, in order to catalog effective programs and measurement practices.</li> </ul>
<b>Paradigm for Parity</b>	<ul style="list-style-type: none"> <li>• Minimize or eliminate unconscious bias.</li> <li>• Significantly increase the number of women in senior operating roles.</li> <li>• Measure targets at every level and communicate progress and results regularly.</li> <li>• Base career progress on business results and performance, not on presence. Identify women of potential and give them sponsors as well as mentors.</li> </ul>
<b>Pay Equity</b>	<ul style="list-style-type: none"> <li>• Pay employees fairly and equitably regardless of their personal demographic (such as race or gender).</li> </ul>



# Retail opportunity across the sector

We believe that frontline retail jobs can be a launch pad for mobility and advancement—a place where the barriers to getting a job are low and people from all backgrounds can quickly develop the skills to advance.

The sector's unique strengths give it the potential to be an even more effective workforce incubator. First, retail provides broad access to stable, entry-level jobs. Second, retail workers learn valuable skills starting from day one; technology and innovation, for example, are integral to frontline jobs. Finally, these skills can lead to advancement both in retail and in adjacent sectors. As of January 31, 2018, more than three-quarters of our store management teams started as hourly employees.

With this in mind, three years ago Walmart and the Walmart Foundation launched the Retail Opportunity Initiative, a five-year, \$100 million philanthropic effort aimed at improving both the reality and the perception of frontline retail jobs in the U.S. as a pathway to advancement.

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Through the end of FY2018, Walmart and the Walmart Foundation have invested more than \$80 million in grants and collaborated with leading nonprofits, employers, government agencies and educational institutions to identify and implement innovations aimed at increasing the economic mobility of retail and related-sector workers. As we work to accelerate mobility, we are focusing on three key strategies:

- Raising the profile of retail as a sector of opportunity
- Building effective and innovative approaches to retail training and advancement
- Engaging retail employers to improve the ecosystem



**\$80 million+**  
invested to date





- **Raising the profile of retail as a sector of opportunity.**

By funding insightful research and engaging thought leaders at industry forums, Walmart and the Walmart Foundation are working to reset assumptions about frontline retail jobs, in part by improving the quality of job training and increasing opportunities for advancement so the sector can truly become a launch pad for career development. For example, Walmart made a grant to FSG to conduct a scan of secondary research to identify and synthesize promising approaches for improving frontline youth employees. FSG identified four evidence-based strategies that work. In addition, we are collaborating with groups such as Aspen Institute and Rework America whose efforts are focused on increasing opportunity.

- **Building effective and innovative approaches to retail training and advancement.** Walmart is investing in training and other initiatives that help retail workers develop the skills that will enable them to advance within the sector or in adjacent sectors. To date, Walmart and the Walmart Foundation have provided funding for training or related services such as coaching or tech tools to more than 50,000 prospective and current retail workers beyond Walmart—supporting

innovative new approaches that can enhance the economic mobility of workers. For example, the Walmart Foundation supported New Venture Fund's Employment Technology Fund, which is a significant pool of capital that facilitates the growth and success of companies and/or nonprofits aiming to bring technology-enabled solutions to address the major barriers faced by low-income adults in the U.S. who are inhibited by labor market mobility, many of whom are women, minorities or immigrants.

- **Engaging retail employers to improve the ecosystem.** We believe that a stronger, more highly skilled frontline workforce will lead to greater opportunity for workers and stronger communities. Grantees of the initiative are working with other retail employers to design jobs, training programs and promotion practices that support career advancement for the frontline workforce. For example, in Phoenix, Walmart invested in the Center for the Future of Arizona to launch RetailWorksAZ, aimed at helping frontline entry-level workers advance in their careers. RetailWorksAZ brought together the Retail Employer Network, a local talent development network for retailers, and workforce and education stakeholders who are partnering to support skill acquisition and wrap-around services such as childcare.