Supplier Leadership Program on People
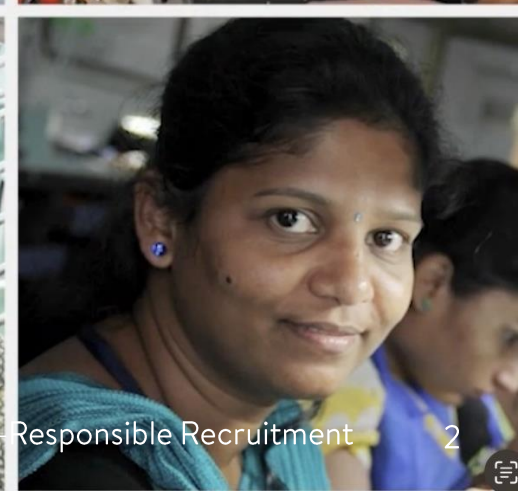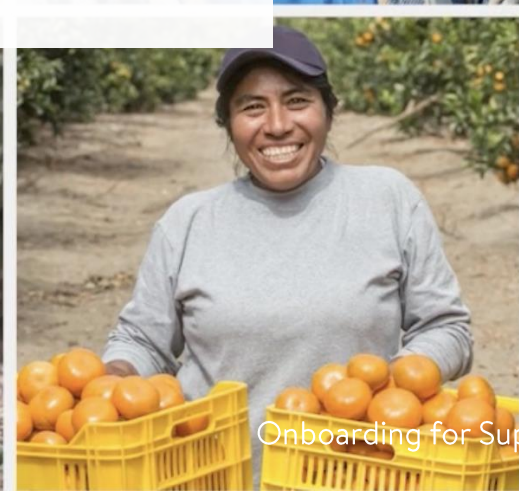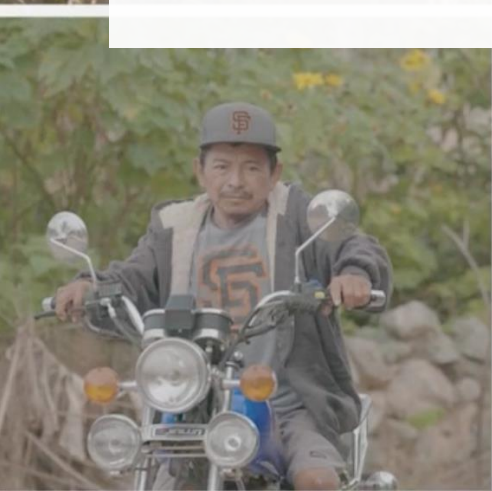
Advancing Responsible Recruitment

Program Onboarding for Suppliers to Walmart US and Sam's Club US

2023 Program Onboarding Agenda

1. Program overview

2. Best practice reporting

3. Q&A

Why Walmart developed the Supplier Leadership Program on People
and why start with responsible recruitment?

- Walmart has set a goal to become a regenerative company—one that places nature and humanity at the center of our business.

- Walmart is working with suppliers and others to address complex social issues in a way that creates system wide change.

- Forced labor is recognized as a risk in multiple industries, including industries employing migrant workers.

- Responsible recruitment practices can help mitigate force labor risks is many global supply chains.

In 2016, Walmart and Walmart Foundation set an aspiration to **make responsible recruitment the standard business practice** throughout global supply chains by 2026.

What is responsible recruitment?

- Many workers rely on labor brokers to facilitate their migration and employment but may be exposed to unethical and exploitative recruitment practices.

- Many of these workers lack knowledge of their rights and are vulnerable to exploitation when they are not recruited responsibly.

- Responsible recruitment, also referred to as fair or ethical recruitment, means hiring workers lawfully and in a fair and transparent manner that respects and protects their dignity and human rights.[1]

According to the Internal Labour Organization (ILO), practices that put workers at risk may include one or more of the following abuses

- Deception about the nature and conditions of work
- Retention of passports
- Illegal wage deductions
- Payment of recruitment fees leading to debt bondage
- Threats including to family members or expulsion from a country if they seek to leave their employers

[1]Source: International Organization for Migration (IOM).

Building on core expectations

- Walmart's Global Ethics & Compliance program forms the basis of the company's requirements for suppliers and includes Walmart's Responsible Sourcing Compliance program and core expectations around responsible recruitment.

- This program is separate, but complementary to Walmart's Responsible Sourcing Compliance program.

- Whether or not suppliers participate in this program, they will be expected to continue meeting core expectations.

Build on core expectations

Meet core expectations

Supplier Leadership Program on People—Responsible Recruitment

Global Ethics & Compliance

- Standards for Suppliers

- Responsible Recruitment Expectations

Program priorities

- Walmart launched this voluntary, supplier-facing program to inspire, support, and celebrate supplier leadership on responsible recruitment

- This program focuses on three Priority Areas— each with three specific Leadership Practices

- Participating suppliers will set goals and report progress in one or more areas

Three Priority Areas

Recruitment Practices and Capacity

- Strengthen Practices
- Build Capacity
- Invest in Responsible Labor Systems

Worker and Community Empowerment

- Strengthen Awareness
- Strengthen Worker Voice
- Leverage Place-Based Projects

Transparency

- Report Efforts Publicly
- Map Supply Chain
- Validate Approach

Leadership Practices

PEOPLE

https://www.walmartsustainabilityhub.com/videos/engaging-in-walmart-s-supplier-leadership-program-on-people

PEOPLE

Choose a Priority Area				

Recruitment Practices and Capacity

Worker and Community Empowerment

Transparency

See Program Playbook for a full description of each Specific Action listed below

Set a Goal for a Leadership Practice

Strengthen Practices	Build Capacity	Invest in Responsible Labor Systems
Recruit workers through ethical and responsible recruiters or hire directly	Build capacity and train individuals who recruit or employ workers on responsible recruitment and forced labor prevention	Invest in capacity building resources to strengthen recruitment agencies

Report Progress on one or more of these Specific Actions

Strengthen Practices	Build Capacity	Invest in Responsible Labor Systems
1. Directly hired migrant workers 2. Used labor agencies, brokers, or contractors that are certified as ethical and responsible or are clearly using an ethical recruitment business model 3. Participated in multi-stakeholder initiatives committed to responsible recruitment	1. Screened and hired sending country recruitment agents and provided them with additional resources and support 2. Used recruitment agents that are actively engaging in capacity building and awareness-raising initiative(s) 3. Implemented training for personnel in management, human resources, and recruiting on responsible recruitment	1. Invested in responsible recruitment capacity-building resources and tools for recruitment agencies, brokers, and/or contractors 2. Invested in building the capacity of CSOs in sending and destination countries that are working to ensure the responsible recruitment of migrant workers

PEOPLE

Choose a Priority Area

Recruitment Practices and Capacity

Worker and Community Empowerment

Transparency

See Program Playbook for a full description of each Specific Action listed below

Strengthen Awareness	**Strengthen Worker Voice**	**Leverage Place-Based Projects**
Leverage CSOs to strengthen migrant workers' knowledge around safe migration	Leverage worker-driven, ethical recruitment programs and CSOs to implement channels for independent grievance and remedy	Leverage regional/country level projects to advance responsible recruitment

Set a Goal for a Leadership Practice

Report Progress on one or more of these Specific Actions

1. Trained and improved migrant workers' understanding of safe migration
2. Collaborated with CSOs and/or governments to provide education resources and training for migrant workers about their rights
3. Supported program(s) or initiative(s) that provide pre-departure/post arrival training for all migrant workers

1. Used worker voice surveys, tools or technologies that are independent, accessible and culturally appropriate
2. Partnered with CSOs to provide migrant workers access to independent grievance mechanisms and avenues for remedy
3. Supported CSOs in sending and/or designation countries that offer counseling and other services

1. Supported regional/country level projects or partnerships that use risk-informed, impact assessments to identify potential solutions for responsible recruitment
2. Participated in worker-driven, ethical recruitment programs and initiatives at the local level

PEOPLE

Choose a Priority Area	Recruitment Practices and Capacity	Worker and Community Empowerment	**Transparency**

See Program Playbook for a full description of each Specific Action listed below

	Report Efforts Publicly	**Map Supply Chain**	**Validate Approach**
Set a Goal for a Leadership Practice	Document and publicly report on challenges, successes, and impact of responsible recruitment activities	Strengthen knowledge and process to assess risk to inform responsible recruitment efforts	Seek independent review to identify management gaps and develop timebound action plans to strengthen current approach
Report Progress on one or more of these Specific Actions	1. Publicly shared our commitments and actions that will be/have been taken to advance responsible recruitment 2. Documented outcomes, challenges, and successes of responsible recruitment activities and regularly shared those outcomes publicly	1. Assessed entities involved in the recruitment, hiring, and employment of migrant workers 2. Conducted human rights impact assessments focused on responsible recruitment 3. Leveraged third-party, technology-based solutions for supply chain mapping	1. Engaged a third party to assess your responsible recruitment activities 2. Engaged a third party to assess, audit, validate, or certify recruitment agents that are recruiting and/or employing migrant workers 3. Sourced raw materials or ingredients that use a third-party certification program that includes responsible recruitment

Set goal and report progress

Do you have an existing goal?
If you have an active goal that you are still working towards, you can set that as your goal AND report progress on that goal in the same submission.

Any Year

Set SMART goal
Choose a Priority Area and set a SMART goal for a Leadership Practice within the Priority Area.

SMART goals are Specific, Measurable, Achievable, Realistic, and Timely. Setting goals that are SMART helps ensure goals are clear, are understood by others, and are likely to be achieved. You can set more than one goal, but we encourage you to **have at least one active goal set.**

Every Year

Report progress
Every year, you will be asked to report progress on a Specific Action that you took for the goal that you set.

You will be asked to report annualized data and specify the 12-month time period during which the data was gathered, whether if it's a calendar year or a specific 12-month period.

Who can participate

- **The program is open to all suppliers** of Walmart US and Sam's Club US

- The program is also open to all suppliers of **Canada and Mexico retail markets**

- **Priority categories** for 2023 include:

Priority Category:
Seafood

Priority Category:
Entertainment
(Information, Communications, and Technology)

Priority Category:
Fresh Produce

NEW
Priority Category:
Apparel

NEW
Priority Category:
Home

5 key steps to take through end of November 2023

Prior to Annual Reporting Season

During Reporting Season Sept. 5 through Nov. 3rd

1 Resources

- Visit the Sustainability Hub to **review available resources,** including the Program Playbook and Program Template, to help you get better acquainted with the program and prepare to engage this fall

2 Training

- **Attend training** on the People Program

- Suppliers unable to attend can access a recorded version

3 Portal Account

- **Create or update your Sustainability Portal account** to access your Sustainability Reporting

- If your company already has an account, please ensure your profile / vendor details are up to date including all active vendor numbers

4 Submit Goals

- **Create, review and/or update your goals** in the Sustainability Portal through the **People** Program; aim to have at least one active goal in one or more Priority Areas

- Goals can be submitted once a year, but suppliers are encouraged to set and work towards goals ahead of reporting season

5 Report Progress

- **Report your progress** in the Sustainability Portal through the **People** program

- Suppliers should report progress on a Specific Action(s) that they took for the goal(s) they set

Survey dashboard

For priority category suppliers, the People Survey will be a tile in the top portion of the main dashboard

Survey dashboard

For all other suppliers, including suppliers of eligible international retail markets, the People Survey can be accessed by going to the People tile in the "Other Programs" section of the main dashboard.

Set goals

1. **Select your market**

2. **Choose the Priority Area that you would like to set a goal for**

3. **Set a goal by selecting the Leadership Practice and selecting:**

   - **Scope**

   - **Country**

   - **Supply chain**

   - **Target year (max year is 2050)**

Report progress

1. **Find the question that is most relevant to you and answer "yes"**

2. Make your selection for each drop-down list

3. Provide a full description of the progress you made

Report progress

1. Find the question that is most relevant to you and answer "yes"

2. **Make your selection for each drop-down list**

3. **Provide a full description of the progress you made**

Summary dashboard

Don't forget to press "submit" once you have made your entries

Additional resources can be found on the Walmart Sustainability Hub

- The Walmart Sustainability Hub is the main channel to participate and access program resources

- Current resources available include:

  - Program playbook

  - On-demand training

  - People program template

  - FAQs

- Use the Sustainability Chatbot within the survey to ask questions

Walmart Sustainability Hub

SIGN IN   PROJECT GIGATON   CLIMATE   NATURE   WASTE   PEOPLE   PRODUCTS   REPORTING

Worker Dignity & Safety

Look for the **PEOPLE** tab at the top of the Walmart Sustainability Hub to access program resources.

Strengthening

Walmart seeks to address potential risks to the dignity and safety of workers in our supply chain through working with others to strengthen the demand for responsible recruitment practices, promote safe working conditions, and advance gender equity.

Q&A
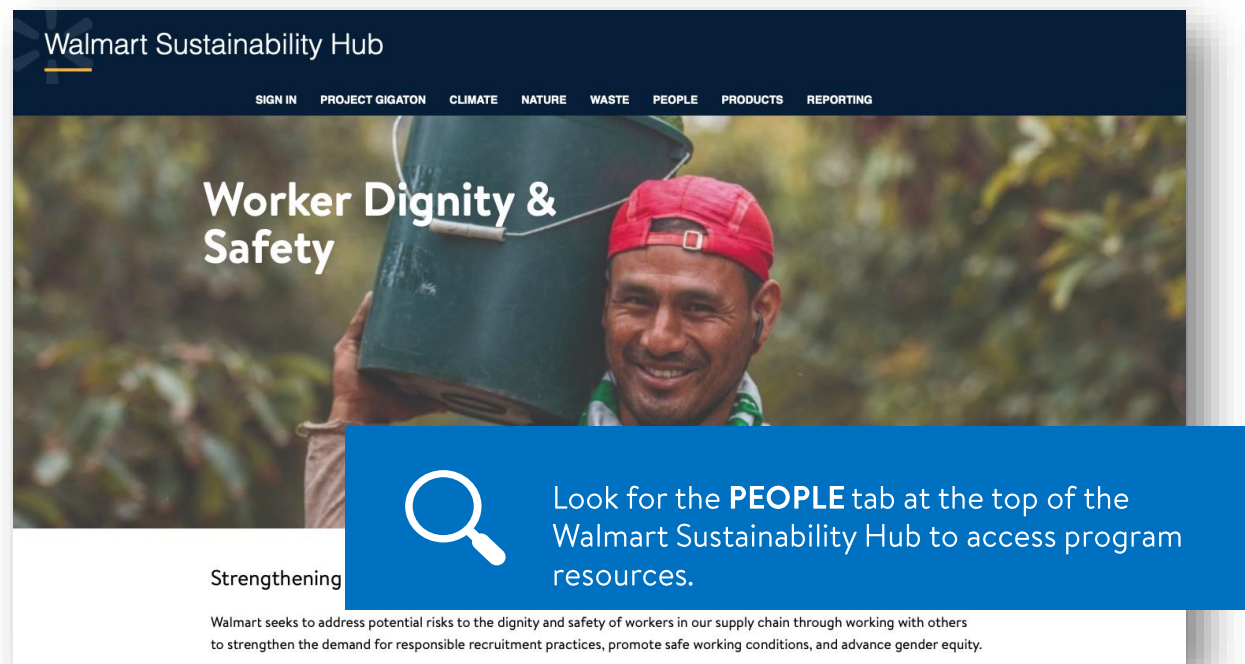
- What questions do you have about the overall program?

- Do you have any questions about the priority areas?

- Do you have any questions about the timeline or how to find the Walmart Sustainability Hub?

2023 Program Onboarding Agenda

1. Program overview

2. **Best practice reporting**

3. Q&A
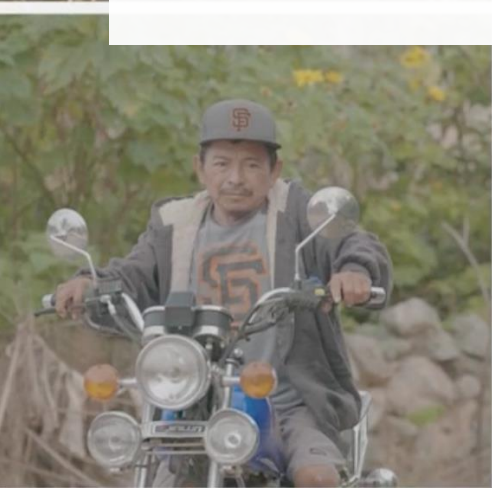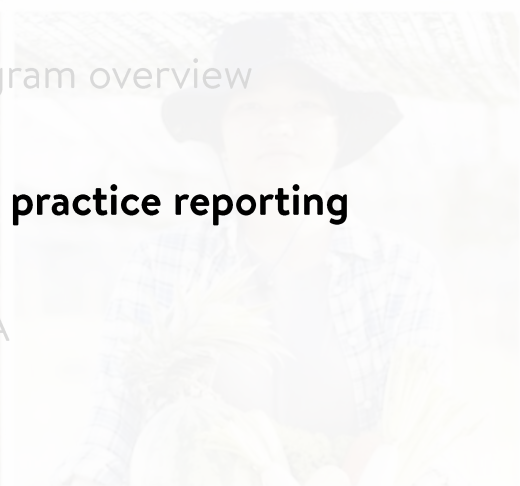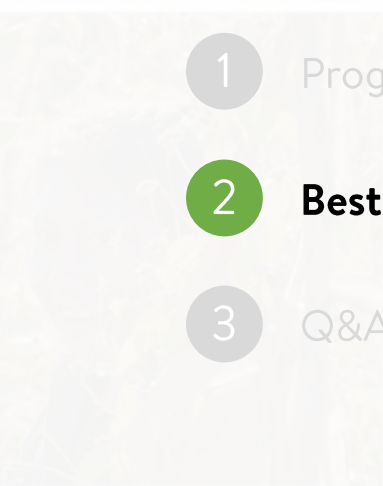
Principles for best practice reporting

Lessons from the inaugural year:

- Program achieved high participation in the inaugural year (last year)

- To improve the quality of reporting, we have developed a set of reporting principles

What to focus on this year:

- Apply reporting principles—throughout Reporting Season, Walmart will review submissions to assess whether they are meeting the intent of the program

- New participants should focus on setting at least one goal

- Returning participants should focus on:

    - Reporting progress on the goal(s) that they set last year

    - Making sure they have at least one active goal in the system (some suppliers only reported progress last year without setting a new goal)

5 guiding principles to best practice reporting

1	2	3	4	5
Provide Sufficient Information	Provide Relevant Information	Go Beyond Compliance	Be Specific	Be Clear and Complete

5 guiding principles to best practice reporting

1 — Provide Sufficient Information

- Suppliers should provide sufficient information describing the Specific Action that they took.

- In most situations, suppliers should aim to provide at least 2 to 3 full sentences describing the actions that they took.

2 — Provide Relevant Information

- Suppliers should provide information that is relevant to the Specific Action in which they selected to report progress on.

3 — Go Beyond Compliance

- Suppliers are encouraged to report actions that go beyond compliance. This program is about inspiring leadership practices.

- Focus on areas where risks are greatest.

4 — Be Specific

- Describe timebound progress and results.

- Name specific programs, initiatives, organizations or collaborations.

5 — Be Clear and Complete

- To ensure accurate understanding of the submission and avoid misinterpretation, suppliers should provide descriptions that are clear, simple and easy-to-understand.

- Responses should be in full sentences, in English and should avoid company jargon. Acronyms should be spelled out whenever possible.

Priority Area: **Recruitment Practices and Capacity**
Leadership Practice: **Strengthen Practices**

Reporting Question	Specific Action
Have you strengthened practices for the responsible recruitment of migrant workers?	Directly hired migrant workers.

Free Text - Best Practice Example
In 2021, we committed to increasing the direct hiring of migrant workers in our seafood processing facilities in Thailand. As of the end of 2022, we have directly hired more than 500 migrant workers. These directly hired migrant workers now account for about 25% of our overall seafood processing workforce in Thailand.

Free Text - Poor Example
In the last few years, we have started to hire migrant workers directly.

Priority Area: **Recruitment Practices and Capacity**
Leadership Practice: **Build Capacity**

Reporting Question	Specific Action
Have you trained staff personnel involved in the employment of migrant workers on responsible recruitment and forced labor prevention?	Implemented training for personnel in management, human resources, and recruiting functions that have responsibility for workers and employment lifecycle on the importance of forced labor prevention and responsible recruitment.

Free Text - Best Practice Example

Since 2020, we have implemented annual training for personnel in management, human resources, and recruiting functions that have responsibility for workers and employment lifecycle on the importance of forced labor prevention and responsible recruitment. Specifically, we engaged ABC Training Corp. to deliver training on their Ethical Employment learning module to our human resources and operations managers. This module included training on key indicators of forced labor. Since 2020, we trained more than 300 human resources and operations personnel in approximately 80% of our global sites.

Free Text - Poor Example

Last year, we provided our human resources executives with training on diversity and inclusion.

Priority Area: **Worker and Community Empowerment**
Leadership Practice: **Strengthen Awareness**

Reporting Question	Specific Action
Have you provided training to strengthen migrant workers' awareness and knowledge around safe migration?	Trained and improved migrant workers' understanding of safe migration.

Free Text - Best Practice Example

From 2021 to 2022, we provided extensive training to 500 migrant workers from Mexico on the topic of safe migration. We provide this training in both English and Spanish. A pre- and post-training survey confirmed that these migrant workers' understanding of safe migration improved by 80%. We are planning another training with these migrant workers in 2023 to close the knowledge gap.

Free Text - Poor Example

We conducted supplier audits in 2022 and identified 3 nonconformances related to forced labor.

Priority Area: **Worker and Community Empowerment**
Leadership Practice: **Strengthen Awareness**

Reporting Question	Specific Action
Have you provided training to strengthen migrant workers' awareness and knowledge around safe migration?	Collaborated with CSOs and/or governments (in sending or destination countries) to provide education resources and training for migrant workers about their rights.

Free Text - Best Practice Example
In 2022, we partnered with Cambodia's Ministry of Foreign Affairs and local CSOs to train workers who were set to migrate to Thailand. Through these partnerships, 15 local recruiting agencies in Cambodia were provided with financial assistance, training, and other resources to then train Cambodian workers on their rights as they migrate safely to Thailand. By the end of 2022, more than 5,000 Cambodian workers received direct training from the 15 local recruiting agencies.

Free Text - Poor Example
We worked with local CSOs to develop and provide workers with training on forced labor.

Priority Area: **Transparency**
Leadership Practice: **Map Supply Chain**

Reporting Question	Specific Action
Have you strengthened your knowledge and process to assess risk to inform responsible recruitment efforts?	Leveraged third-party, technology-based solutions for supply chain mapping to assess risk and inform responsible recruitment activities

Free Text - Best Practice Example

In 2022, we partnered with ABC Solutions to develop and implement a supply chain mapping tool focused on forced labor in the extended seafood supply chain. The tool has been deployed to all sourcing managers in Thailand and Malaysia and we have plans to expand the use of this tool globally by the end of 2023. The tool has helped identify regional hotspots where forced labor risks may be greatest. We are now using the outputs of the tool in our engagements with suppliers in these hotspot regions to inform our risk mitigation efforts in these regions.
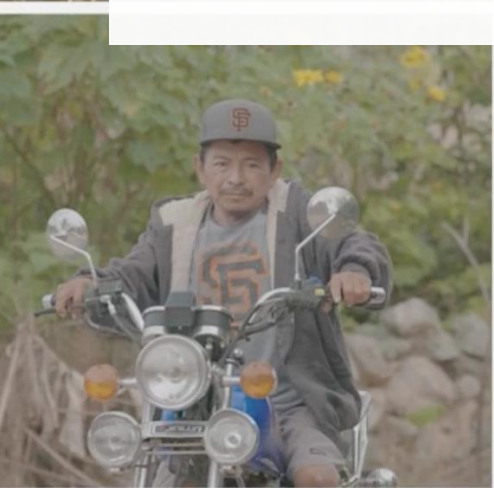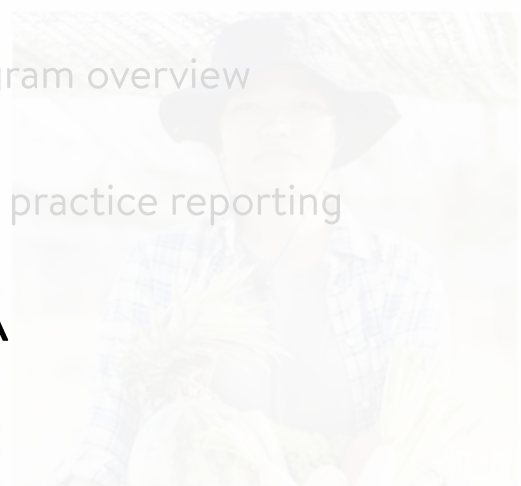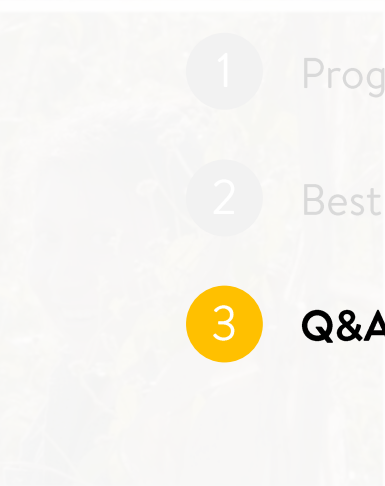
Free Text - Poor Example

Last year, we hired an independent consultant to map our seafood supply chain.

2023 Program Onboarding Agenda

1   Program overview

2   Best practice reporting

3   **Q&A**

Q&A

- What questions do you have about the reporting principles?

- Do you any questions about any of the best practice examples?

- What other challenges or barriers might there still be?

- Is there anything that we did not cover that you would like to ask about?

Additional resources can be found on the Walmart Sustainability Hub

- The Walmart Sustainability Hub is the main channel to participate and access program resources

- Current resources available include:

  - Program playbook

  - On-demand training

  - People program template

  - FAQs

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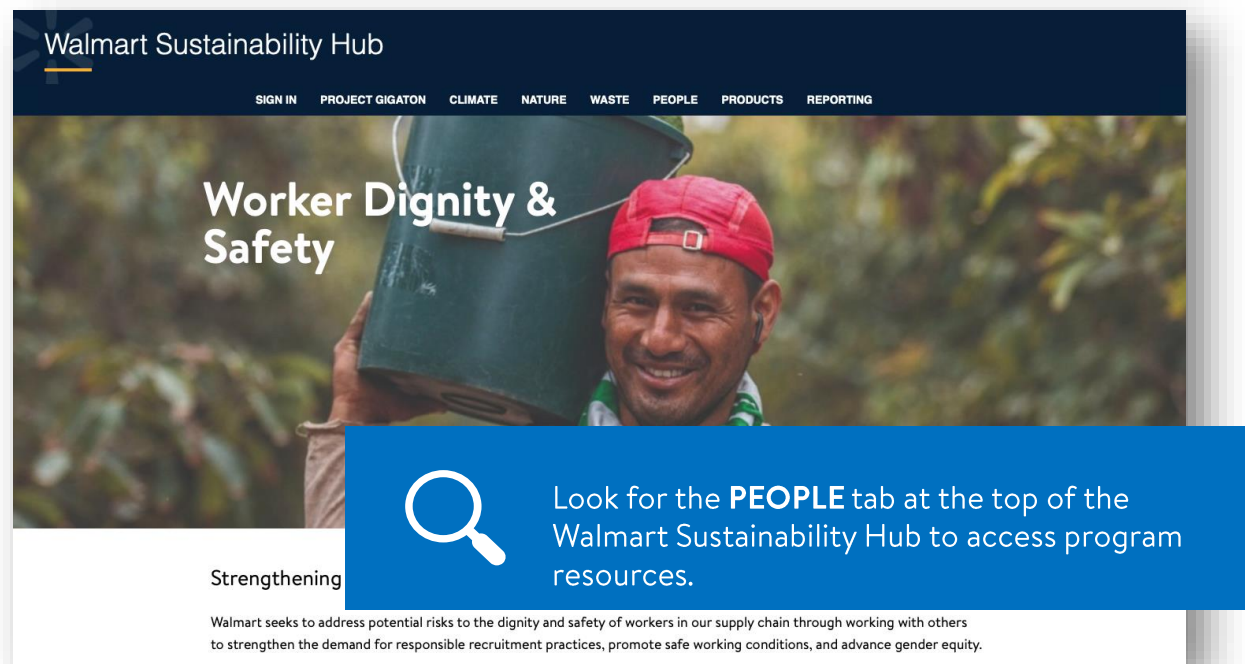
PEOPLE
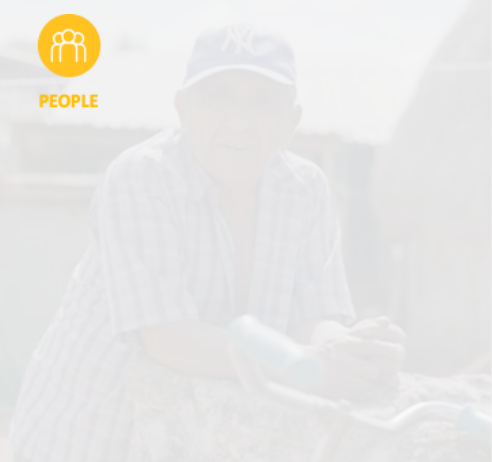
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