

Walmart Supplier Leadership Program on People—Responsible Recruitment

## FAQs for Suppliers

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### General

#### 1. What is responsible recruitment and why does it matter?

[Responsible recruitment](#), sometimes referred to as ethical recruitment, means hiring workers lawfully and in a fair and transparent manner that respects and protects their dignity and human rights.

Many workers, particularly migrants who move from one region or country to another for work rely on labor brokers or other intermediaries. Unfortunately, many of these workers may not be recruited responsibly and are vulnerable to exploitation.

According to the [ILO Fair Recruitment Initiative](#), 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

#### 2. What is the goal of this Supplier Leadership Program?

In 2016, Walmart and the Walmart Foundation set an aspiration to [make responsible recruitment the standard business practice for employers throughout the global supply chain by 2026](#).

To achieve this aspiration, Walmart launched this voluntary, supplier-facing program on People with an initial focus around supporting suppliers in advancing responsible recruitment practices in their operations and supply chains by helping inspire, support, and celebrate their leadership efforts.

#### 3. How does this program support Walmart's broader responsible sourcing efforts?

Walmart's Global Ethics & Compliance program forms the basis of the company's requirements for suppliers and includes expectations around responsible recruitment. This new program on responsible recruitment seeks to strengthen supplier leadership on responsible recruitment and is separate but complimentary to Walmart's existing Global Ethics & Compliance program.

#### **4. Why is Walmart initially prioritizing certain categories?**

While all suppliers to Walmart US, Sam’s Club US and Walmart Canada are welcome to participate in this program, for 2023, Walmart has chosen to focus on suppliers in Fresh Produce, Seafood, Entertainment (e.g., Information, Communications, and Technology), Apparel, and Home. Walmart has chosen to focus on these categories given their significance to Walmart’s business and the opportunity to strengthen responsible recruitment efforts among suppliers in these categories.

Suppliers in these categories will be encouraged to engage ahead of the reporting season in Fall 2023. Suppliers in other categories, where there are opportunities to strengthen supplier leadership on responsible recruitment, will be invited to engage in subsequent years.

#### **5. How did Walmart decide on the three “priority areas” under which Supplier’s to Walmart US or Sam’s Club US, can set goals?**

Walmart believes that a structure that helps suppliers set specific goals can help focus efforts and accelerate the implementation of responsible recruitment in their operations and supply chain.

Based on research and consultation with respected stakeholders in the field, Walmart identified three “priority areas”—Recruitment Practices and Capacity, Worker and Community Empowerment, and Transparency—as key areas where setting SMART goals can make a significant difference and help accelerate the adoption and advancement of responsible recruitment.

#### **6. Why should Suppliers participate?**

Walmart is taking a holistic approach, engaging suppliers through the Walmart Sustainability Hub and providing information to support them to strengthen responsible recruitment in their supply chains. Guidance will help suppliers identify potential actions they may take to move forward on their journey.

We anticipate that suppliers that participate in the program will contribute positively and, in some cases, might even lead their respective industries in helping mitigate the worst impacts of exploitative recruitment practices. Suppliers’ participation also aligns with Walmart’s commitment to become a regenerative company that places nature and people at the center of everything.

#### **7. What resources are available to support Suppliers to engage on the program?**

A Playbook for the Supplier Leadership Program on People—Responsible Recruitment provides full details of the program and includes tools and resources to support suppliers and encourage their participation. Additionally, an onboarding presentation, recorded trainings and People Program practice template are available to support suppliers.

These resources are available on the Walmart Sustainability Hub.

## 8. Why is the program voluntary?

This is a supplier leadership program, which is separate from, but complementary to, Walmart's compliance requirements, which include expectations around responsible recruitment that suppliers are required to meet. Walmart encourages suppliers to strengthen responsible recruitment practices in their operations and supply chains and to be transparent about opportunities to improve regardless of their participation in this program.

### Participation

## 9. How do Suppliers participate in this program?

Suppliers will receive an email from Walmart inviting them to participate in the program. Walmart U.S. and Sam's Club U.S. suppliers in the priority categories of Fresh Produce, Seafood, Entertainment (e.g., Information, Communications, and Technology), Apparel, and Home will be prioritized in the second year of the program.

## 10. Do Suppliers have to join the program to participate and report progress?

In order to participate in the program, suppliers will need to establish an account on the [Walmart Sustainability Portal](#). Once suppliers have gained access to the Portal and have reported their responsible recruitment goals and/or progress through the Portal, they are considered to have participated in the program. Throughout the journey, suppliers can go to the People section of the [Walmart Sustainability Hub](#) to find helpful resources, examples and templates to support their efforts to advance responsible recruitment in their operations and/or supply chain.

## 11. What should Suppliers do once they have decided to participate in the program?

The timing for engagement in and reporting through this new program is the same as for Project Gigaton. Once suppliers have decided to participate in the program, they will be asked to set goals in their first year of participation and report progress against these goals on an annual basis through 2026.

For 2023, suppliers will be asked to submit their goals during the Sustainability Survey Season, which is between September and November. Once goals are submitted, Walmart will expect suppliers to report progress against their goals during the next Sustainability Survey Season one year later.

## 12. Why is setting a goal important and why must it be SMART?

Walmart encourages suppliers to set goals to focus their efforts, engage with their business and business partners, and secure resources to implement responsible recruitment practices in their operations and/or supply chain. 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.

**13. Should suppliers set a goal for their own operations or supply chain?**

Suppliers are encouraged to set a goal and/or report progress where unethical recruitment risks are likely the greatest. For many suppliers, the greatest risk may be in their 1<sup>st</sup> tier supply chain or their upstream (tier 2+) supply chain. For others, the greatest risk may be in their own direct operations.

If an opportunity exists to strengthen responsible recruitment in both suppliers' own direct operations and supply chain, we encourage suppliers to set goals for both. Suppliers can set as many goals as they would like, including goals for different tiers of their supply chain.

**14. What if suppliers don't know how to set a goal?**

Walmart will support suppliers with templates to help them set goals in any one of the three priority areas that have been defined for responsible recruitment:

- Recruitment Practices and Capacity
- Worker and Community Empowerment
- Transparency

**15. Do suppliers need to set a goal in all three priority areas or just one?**

Suppliers are free to set goals within one or across multiple priority areas. Suppliers should allocate appropriate resources to ensure the intended goals and impacts are achieved. Suppliers should avoid setting multiple goals only to fail achieving the intended goals and impacts due to insufficient focus or resources.

**16. Can suppliers join the program with an existing target or goal?**

Yes. If suppliers have an existing goal around responsible recruitment that fits within one of the three priority areas, they can establish a goal through this program and begin reporting progress in their first year of participation.

**17. Can suppliers change my goals in the future?**

Yes. While Walmart encourages suppliers to set goals carefully to avoid the need to change them in the future, suppliers own their goals and changes may be made following learnings during program implementation.

**18. How ambitious can suppliers be?**

Walmart encourages suppliers to be realistic but ambitious in setting goals to advance responsible recruitment in their supply chains and own operations.

**19. Can suppliers participate if they are not a direct supplier to Walmart?**

No. This program is only for direct suppliers to Walmart.

**20. Is there a cost to participate?**

No. There is no charge for suppliers to participate in the program. However, suppliers should allocate appropriate resources (e.g., time, people) to help ensure that goals are achieved.

**Reporting****21. How do suppliers select my reporting dates? Can suppliers report retrospectively?**

Walmart will provide participating suppliers with reporting templates that will include fields to specify the time period of the data being reported. In general, suppliers will be asked to report annualized data and specify the 12-month time period during which the data was gathered, whether it's a calendar year (e.g., 2023) or a specific 12-month period (e.g., March 2022-February 2023). You may report retrospectively beginning as back as February 1, 2016, which is when Walmart's aspiration to advance responsible recruitment as standard business practice began.

**22. After reporting, can suppliers change the data that I have submitted?**

If a supplier has submitted incorrect data or wants to update data submitted to improve the accuracy of reporting they should reach out to their Walmart contact.

**23. How will Walmart use the data that suppliers have reported?**

Walmart may publish stories around impact to help celebrate success and share best practices. Walmart may also share aggregated, non-attributable results around the total impact of the program. Results of individual suppliers' efforts will not be shared without their prior permission.

**24. Will suppliers' participation be made public?**

Suppliers' participation in this program will not be made public other than—with their permission—in the Walmart Sustainability Hub, which can only be accessed by Walmart suppliers.

**25. Will suppliers' data be checked or validated?**

No. Walmart will not check or validate the data that suppliers report through this program. However, Walmart will review submissions on the basis of whether they have met the intent of the program and may reach out to suppliers asking them to provide more detail or clarify their submissions.

The program is voluntary, and Walmart expects suppliers to participate in good faith, by setting goals and reporting progress accurately.