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## **Walmart Associates, Shareholder Advocates Propose Hourly Worker Representation to Company Board of Directors**

*Report to shareholders includes results of new May survey of 1,500 Walmart associates revealing company's failures to maintain safety*

*Walmart's COVID-related failures highlight breakdown in the feedback loop between company's Board of Directors, senior management, and frontline essential workers*

**NEW YORK --** Walmart associates and shareholder advocates today urged investors to vote for a shareholder proposal calling on the Walmart board of directors to adopt a new policy that would include hourly associates for consideration as nominees for the company's board of directors. In a new [SEC filing](#), Walmart associates who are members of [United for Respect](#), together with [Majority Action](#), a shareholder advocacy organization, detail how the COVID-19 crisis has exposed failures in Walmart's management, elevating risks to customers, associates, and shareholders. A new survey of more than 1,500 Walmart associates conducted in May 2020, included in the filing, demonstrates that hourly associates struggle to maintain proper distancing, don't trust Walmart to keep them safe, and are likely to go to work ill, contrary to Walmart's public statements about their COVID-19 response.

"Walmart is not protecting associates or customers. We're understaffed, our store is too crowded for distancing, there's not enough cleaning, and leave policies are confusing and unclear. There is a breakdown in delivering feedback up through middle and upper management." said **Mary Pat Tiff**, a Walmart employee of nearly 32 years. "If one of us were on the Board, we'd know that the real situation wasn't getting lost in the middle and was part of oversight and planning. **If Walmart did the right thing, we wouldn't be risking our lives.**"

The Walmart associates argue that the risks to the company of this breakdown are substantial, and include material reputational, operational, and legal risks. They propose that an hourly associate board director would bring deep expertise in the day-to-day operations of Walmart stores, and would have the capacity and incentive to oppose risky corporate behavior, short-termism, and misaligned executive compensation incentives. Research on European companies demonstrates that companies with employees on their boards [pay higher dividends](#), are [less likely to take short-term risks](#) that only benefit insiders and [respond more nimbly to economic downturns](#), while [reporting similar or slightly enhanced profitability](#) compared with peers that lack employee board members.

“Board-level employee representation is a proven governance reform that will provide necessary insight into risks and promote long term shareholder value,” said **Eli Kasargod-Staub**, executive director of Majority Action. “The current pandemic demonstrates clearly that workplace management is fundamental to effective governance, and that failure is a material risk. Involving workers in governance is a key part of the solution.”

Walmart’s status as the largest retailer and grocery chain in the country makes it a critical provider of essential goods, particularly during the COVID-19 crisis. As cases of COVID-19 and deaths from the disease grow across the country, the risks to the company are escalating as well, [with a number of COVID-19 outbreaks and deaths associated with Walmart stores](#). The findings of a survey of 1,500 Walmart associates conducted in May 2020 illustrate widespread risky conditions, with key findings including:

- Only 9% of associates surveyed reported they could always maintain appropriate distancing at work weeks after store customer limits and other procedures were announced.
- Only two in five Walmart associates surveyed said they trusted Walmart to keep them, their coworkers, and their customers safe during this crisis.
- Walmart’s emergency leave policy contains dangerous gaps in coverage and incentivizes associates to come to work sick. Among associates surveyed, nearly half report that they are likely to come to work even if they feel unwell or are mildly ill. Of those, 58% cite fear of discipline or consequences as the primary reason for doing so.

“There’s a huge disconnect between upper management and what’s happening in the stores,” said **Cynthia Murray**, a Walmart associate of nearly 20 years and the proponent of the [shareholder proposal](#). “What we say doesn’t go back up the chain—middle managers don’t want to hear it and don’t pass on what we report. As associates, we need a seat on the board to protect ourselves, our families, and our communities.”

Shareholders will vote on the measure at Walmart’s annual meeting of shareholders on June 3.

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**Majority Action** is a nonprofit organization dedicated to empowering shareholders of all sizes to hold corporations and their leadership accountable to high standards of long-term value creation, corporate governance, and social responsibility. [www.majorityaction.us](http://www.majorityaction.us)

**United for Respect (UFR)** is a national non-profit organization. UFR is a multiracial movement of working people throughout the U.S. advancing a vision of an economy where our work is respected and our humanity recognized. UFR is not a labor union and does not intend or seek to represent retail employees over terms and conditions of employment or to bargain with retail employers. [www.united4respect.org](http://www.united4respect.org)