



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

April 11, 2018

Kristopher A. Isham
Walmart Inc.
kristopher.isham@walmartlegal.com

Re: Walmart Inc.
Incoming letter dated January 29, 2018

Dear Mr. Isham:

This letter is in response to your correspondence dated January 29, 2018 concerning the shareholder proposal (the "Proposal") submitted to Walmart Inc. (the "Company") by the Organization United for Respect (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated February 16, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Daniel Schlademan
Organization United for Respect
dan@united4respect.org

April 11, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Walmart Inc.
Incoming letter dated January 29, 2018

The Proposal requests that the Company prepare a report demonstrating that the Company does not have any racial or ethnic pay gaps.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In our view, the Proposal does not seek to micromanage the Company to such a degree that exclusion of the Proposal would be appropriate. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Caleb French
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

February 16, 2018

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Wal-Mart Stores, Inc. to omit shareholder proposal submitted by
Organization United for Respect

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, Organization United for Respect (“OUR”) submitted a shareholder proposal (the “Proposal”) to Wal-Mart Stores Inc. Inc. (“Wal-Mart” or the “Company”). The Proposal asks Wal-Mart to “prepare a report, omitting proprietary information and prepared at reasonable cost, demonstrating the company does not have any racial or ethnic pay gaps,” as defined in the Proposal.

In a letter to the Division dated January 29, 2018 (the “No-Action Request”), Wal-Mart stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2018 annual meeting of shareholders. Wal-Mart argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with Wal-Mart’s ordinary business operations. As discussed more fully below, Wal-Mart has not met its burden of proving its entitlement to exclude the Proposal in reliance on ordinary business grounds and OUR respectfully requests that Wal-Mart’s request for relief be denied.

The Proposal

The Proposal states:

“RESOLVED: Shareholders request Walmart prepare a report, omitting proprietary information and at reasonable cost demonstrating that the company does not have any racial or ethnic pay gaps. For purposes of this Proposal, a racial

or ethnic pay gap exists when (i) one or more particular jobs or statuses (e.g., management, part-time work) are disproportionately occupied by persons of a particular racial or ethnic group, compared to the composition of the workforce as a whole; or (ii) persons of one racial or ethnic group are compensated differently from persons of another racial or ethnic group performing the same job under the same job description, with the same experience and level of performance.”

Ordinary Business

Rule 14a-8(i)(7) permits a company to omit a proposal that “deals with a matter relating to the company’s ordinary business operations.” The Commission has stated that the policy considerations on which the ordinary business exclusion rests include “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” Wal-Mart claims the Proposal would micromanage the Company and is therefore excludable.

Wal-Mart claims that the Staff permits exclusion of proposals that “require specific outcomes” because they “seek[] to substitute the judgment of management.” That statement is far too broad: proposals, by their nature, request specific outcomes. Rule 14a-8(a) defines a proposal as a shareholder’s “recommendation or requirement that the company and/or its board of directors take action . . . Your proposal should state as clearly as possible the course of action that you believe the company should follow.”

The subset of proposals that are deemed excludable due to micromanagement is much smaller. The Commission has stated that concerns over micromanagement arise when a “proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.”¹ But not even all proposals “seeking detail, or seeking to promote time-frames or methods, necessarily amount to ‘ordinary business.’”²

In all but one of the determinations Wal-Mart cites on pages 3-4 of the No-Action Request, the proposal sought a very specific policy change related to the company’s products or services. For example, the proposal in Amazon.com Inc.³ sought to change the way Amazon displayed product names on its website, in order to promote more water-efficient showerheads. Trying to control exactly how products are displayed, down to a description of the water-efficiency certification, is too remote from any significant social policy issue relating to water or the environment and too close to Amazon’s day-to-day business of operating an ecommerce site not to be deemed excludable on micromanagement grounds.

¹ Exchange Act Release No. 40018 (May 21, 1998).

² *Id.*

³ Amazon.com Inc. (Jan. 18, 2018)

The disclosure proposals in the determinations on which Wal-Mart relies were also much more specific and technical than the Proposal. In Ford Motor Co.,⁴ the proposal requested that the company provide a report containing a wealth of scientific and technical data and discussion. Likewise, the Deere & Company⁵ and Apple Inc.⁶ proposals addressed a technical subject, asking the companies to evaluate the potential for achieving net-zero greenhouse gas (GHG) emissions by a fixed future target date. The supporting statement explained that net-zero GHG emissions “would involve reducing GHG emissions from company operations and then offsetting the remaining GHG emissions by negative emissions strategies established by the company or purchased as offsets.” OUR disagrees with Wal-Mart’s claim that the Deere and Apple proposals were less prescriptive than the Proposal; both net-zero proposals indicated that the report could address a number of specific items, including the potential for net-zero GHG emissions from particular sources such as customer service offices and employee transportation and fixed target dates of 2030, 2040 or 2050.

The Staff has declined to agree with micromanagement arguments made about proposals requesting much more detailed reporting than the Proposal. The proposal in Gilead Sciences Inc.,⁷ for instance, asked the company to report on “the risks to Gilead from rising pressure to contain U.S. specialty drug prices,” including the company’s response to risks created by several sources of friction such as price disparities between the U.S. and other countries, the relationship between drug prices and drug development costs and the prospect of payers using pharmacoeconomic techniques in making reimbursement decisions. Gilead argued that drug pricing is complex and shareholders would therefore not be able to understand the requested report. The Staff did not agree, stating that the proposal “does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate.”

The Proposal does not request a change to how Wal-Mart conducts its business or specify technical or scientific detail to be included in Wal-Mart’s report. Instead, it asks the Company to demonstrate that it does not have a racial or ethnic pay gap, which does not require the Company to provide reams of data. Citigroup, which had received a shareholder proposal much like the Proposal last proxy season, recently released statistics indicating that it had a very small (1%) gender and racial pay gap and described the actions it was taking to close the gaps.⁸ Other

⁴ Ford Motor Co. (Mar. 2, 2004)

⁵ Deere & Company (Dec. 27, 2017)

⁶ Apple Inc. (Dec. 21, 2017)

⁷ Gilead Sciences Inc. (Feb. 23, 2015)

⁸ <http://money.cnn.com/2018/01/15/news/companies/citigroup-pay-gap/index.html>

firms, such as EY⁹ and 3M,¹⁰ have issued reports with summary statistics and short narratives. A general description of methodology and findings would satisfy the Proposal.

Wal-Mart's objection that "[d]ecisions relating to employee pay are complex,"¹¹ presumably too complex for shareholders, ignores the fact that employee compensation is a topic shareholders have a great deal of experience analyzing. Shareholders constantly evaluate senior executive compensation—with its multiple elements, intricate metrics and overlapping incentive programs--in voting on management "say on pay" proposals, most of which are annual. As well, shareholders vote to approve incentive pay metrics and cash and equity-based incentive plans. This year, the Commission's new rule regarding pay ratio disclosure took effect, so shareholders are not only evaluating CEO pay on a standalone basis but are also considering how it compares to the pay of the average worker.

Wal-Mart's claim that the Proposal would "replace management's judgments on complex operational and business decisions and strategies with those of shareholders"¹² is similar to the argument advanced by Citigroup two years ago on a similar proposal. The Citigroup proposal asked the company to prepare a report "demonstrating that the company does not have a gender pay gap."¹³ Citigroup argued that the recruitment and retention of diverse employees were "matters that are impracticable for stockholders to resolve, and the Proposal would micromanage the Company's employment practices by seeking to dictate how the Company should attract and retain women in its workforce." The Staff declined to concur with Citigroup.

In sum, the Proposal would not micromanage Wal-Mart. It does not seek to control how Wal-Mart conducts its business, nor does it ask for scientific data or technical details. The Proposal could be implemented with a straightforward presentation of summary findings and a brief discussion of how the analysis was performed. Because shareholders are accustomed to considering and assessing information related to employee compensation, the information sought in the Proposal is not too complex for shareholders to make an informed judgment. OUR thus respectfully urges that Wal-Mart's request for relief should be denied.

⁹ [https://webforms.ey.com/Publication/vwLUAssets/ey-pay-gap-report-2017/\\$File/ey-pay-gap-report-2017.pdf](https://webforms.ey.com/Publication/vwLUAssets/ey-pay-gap-report-2017/$File/ey-pay-gap-report-2017.pdf)

¹⁰ <https://multimedia.3m.com/mws/media/14566670/gender-pay-reporting-2017.pdf>

¹¹ No-Action Request at 4

¹² No-Action Request at 5

¹³ Citigroup Inc. (Feb. 2, 2016)

* * *

OUR appreciates the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (312) 502-5280.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Schlademan', with a long horizontal line extending to the right.

Daniel Schlademan
Co-Director & Board Member, Organization United for Respect

cc: Kristopher A. Isham
Kristopher.Isham@walmartlegal.com

**Legal
Corporate**

Kristopher A. Isham
Senior Associate Counsel

702 SW 8th Street
Bentonville, AR 72716-0215
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Fax 479.277.5991
Kristopher.Isham@walmartlegal.com

January 29, 2018

VIA E-MAIL to shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Wal-Mart Stores, Inc.*
Shareholder Proposal of Organization United for Respect
Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that Wal-Mart Stores, Inc.¹ (the “Company”), intends to omit from its proxy statement and form of proxy for its 2018 Annual Shareholders’ Meeting (collectively, the “2018 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof received from Organization United for Respect (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

¹ As previously announced, the Company’s legal name will become Walmart Inc. effective on February 1, 2018.

THE PROPOSAL

The Proposal states:

RESOLVED: Shareholders request Walmart prepare a report, omitting proprietary information and prepared at reasonable cost demonstrating the company does not have any racial or ethnic pay gaps. For purposes of this Proposal, a racial or ethnic pay gap exists when (i) one or more particular jobs or statuses (e.g., management, part-time work) are disproportionately occupied by persons of a particular racial or ethnic group, compared to the composition of the workforce as a whole; or (ii) persons of one racial or ethnic group are compensated differently from persons of another racial or ethnic group performing the same job under the same job description, with the same experience and level of performance.

A copy of the Proposal and its supporting statement, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Deals With Matters Relating To The Company's Ordinary Business Operations.

A. Background.

Pursuant to Rule 14a-8(i)(7), a shareholder proposal may be excluded if it "deals with a matter relating to the company's ordinary business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word, but instead the term "is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission explained that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. The first was that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration related to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a

group, would not be in a position to make an informed judgment.” *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). Moreover, as is relevant here, under Rule 14a-8(i)(7) a proposal that seeks to micro-manage a company’s business operations is excludable even if it involves a significant policy issue.

Here, the Proposal requests that the Company prepare a report “*demonstrating* the [C]ompany does not have *any* racial or ethnic pay gaps” (emphasis added) and provides a very specific definition for such “pay gaps” that is based on both compensation levels and the workforce composition of “particular jobs or statuses” (the “Defined Gaps”). Requiring the preparation of this detailed report that must “demonstrate” the specific result set forth in the Proposal “prob[es] too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *See* 1998 Release. Thus, as discussed below, the Proposal is excludable under Rule 14a-8(i)(7) because it seeks to micro-manage the Company.

B. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Seeks To Micro-Manage The Company.

As noted above, the Commission stated in the 1998 Release that one of the considerations underlying the ordinary business exclusion was “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” The 1998 Release further states, “[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.”

The Staff consistently has concurred that shareholder proposals that require specific outcomes when implementing a proposal impermissibly micro-manage a company by seeking to substitute the judgment of management, and thus are excludable under Rule 14a-8(i)(7). In *The Wendy’s Co.* (avail Mar. 2, 2017), the Staff concurred with the exclusion of a proposal urging the board to take all necessary steps to join the Fair Food Program as promptly as feasible for the purpose of protecting and enhancing consumer and investor confidence in the company’s brand as it related to the purchase of produce, and to prepare a report concerning the implementation of the proposal. Joining the Fair Food Program would have required the company to enter into a binding agreement that would have dictated how the company manages its supply chain. Thus, in granting no-action relief, the Staff noted “the proposal seeks to micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *See also Amazon.com, Inc.* (avail. Jan. 18, 2018) (concurring with the exclusion, on micro-management grounds, of a proposal requesting that the company list “WaterSense showerheads” before the listing of other showerheads and provide a short description of the meaning of WaterSense showerheads”); *SeaWorld Entertainment, Inc.* (avail. Mar. 30, 2017, *recon. denied* Apr. 17, 2017) (concurring with the exclusion, on micro-management grounds, of a proposal requesting the replacement of live orca exhibits with virtual reality experiences); *Marriott International, Inc.* (avail. Mar. 17, 2010, *recon. denied* Apr. 19, 2010) (concurring with the exclusion, on micro-management grounds, of a proposal requiring the installation of low-flow showerheads at certain of the company’s hotels

because “although the proposal raises concerns with global warming, the proposal seeks to micromanage the company to such a degree that exclusion of the proposal is appropriate”); *Ford Motor Co.* (avail. Mar. 2, 2004) (concurring with the exclusion, on micro-management grounds, of a proposal requesting that the company publish a report about global warming/cooling, where the report was required to include details such as the measured temperature at certain locations and the method of measurement, the effect on temperature of increases or decreases in certain atmospheric gases, the effects of radiation from the sun on global warming/cooling, carbon dioxide production and absorption, and a discussion of certain costs and benefits). Importantly, we note that the Staff’s response in *Ford* makes clear that a proposal may be excludable under Rule 14a-8(i)(7) because it seeks to micro-manage a company even where the proposal requests that the company publish a report, as opposed to requesting that the company take a specific action. Additionally, as discussed in more detail below, the creation of the report requested by the Proposal goes further than the *Ford* proposal because it would dictate that the Company ensure that the specific outcome requested by the Proposal is implemented.

Similar to the proposals in the precedent discussed above, the Proposal is excludable under Rule 14a-8(i)(7) because it seeks to micro-manage the Company. The Proposal requires a specific outcome—no Defined Gaps among all 2.3 million of the Company’s employees, including 800,000 of its international employees—as opposed to simply requesting that any Defined Gaps be considered or that actions be taken to reduce any Defined Gaps. The Company has gone to great lengths to address concerns about how it pays its employees and is committed to compensating employees fairly, no matter an employee’s race or ethnicity. For example, on February 19, 2015, the Company announced that it would be investing in wages paid to its hourly employees over the next two years,² and on January 20, 2016, the Company continued to deliver on that commitment.³ In addition, on January 11, 2018, the Company announced plans to further increase the starting wage rate for all hourly employees in the U.S. to \$11 per hour, expand maternity and parental leave benefits, and provide a one-time cash bonus for eligible employees of up to \$1,000.⁴ However, in the context of the Commission’s shareholder proposal rule, requiring a specific result at the Company, which is the largest private employer in both the United States and in the world,⁵ using the Proposal’s definition (as described below) illustrates that the Proposal “prob[es] too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

² See In Letter to Associates, Walmart CEO Doug McMillon Announces Higher Pay, available at <https://blog.walmart.com/opportunity/20150219/in-letter-to-associates-walmart-ceo-doug-mcmillon-announces-higher-pay>.

³ See More Than One Million Walmart Associates to Receive Pay Increase in 2016 available at <https://news.walmart.com/news-archive/2016/01/20/more-than-one-million-walmart-associates-receive-pay-increase-in-2016>.

⁴ See Walmart to Raise U.S. Wages, Provide One-Time Bonus and Expand Hourly Maternity and Parental Leave, available at <https://news.walmart.com/2018/01/11/walmart-to-raise-us-wages-provide-one-time-bonus-and-expand-hourly-maternity-and-parental-leave>.

⁵ See Global 500: Biggest Employers, available at <http://fortune.com/global500/list/filtered?sortBy=employees>.

Moreover, the Proposal dictates that the Company must “demonstrate” a specific result using a unique and detailed two-pronged definition of “pay gap.” Decisions relating to employee pay are complex and require careful analysis and insight into detailed information about the Company’s day-to-day business. Management is in the best position to make these decisions because it is able to consider all relevant factors that will impact the Company’s business and financial performance. Not only is it unusual to define “pay gap” using the two-pronged approach presented in the Proposal, but both of the Proposal’s standards fail to consider the multitude of additional complicating factors regarding how pay is evaluated such as where a job is located and the corresponding impacts of local market competition, cost-of-living adjustments, and the local demographics of the community in which the job is located. This complexity would be further compounded by the Proposal’s requirement to make such assessments comparing between “job statuses” and “the workforce as a whole.” With respect to the Company, such an analysis is particularly expansive because the Company estimates that it has approximately 1.3 million employees and several thousands of active job codes in the United States alone, and we further note that the scope of the Proposal is not limited to the United States. The Company also estimates there are approximately 800,000 employees in twenty-seven countries outside of the United States.

We note that the Staff has recently concurred with the exclusion under Rule 14a-8(i)(7) on micro-management grounds of less prescriptive shareholder proposals than the Proposal. In *Deere & Co.* (avail. Dec. 27, 2017), the Staff concurred with the exclusion of a proposal requesting that the company “prepare a report to shareholders by December 31, 2018 that evaluates the potential for the [c]ompany . . . to achiev[e] ‘net-zero’ emissions of greenhouse gases by a fixed future target date” because the proposal sought to “micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” In *Apple Inc.* (avail. Dec. 21, 2017), the Staff concurred with the exclusion of a proposal requesting that the company “prepare a report to shareholders by December 31, 2019 that evaluates the potential for the [c]ompany to achieve, by a fixed date, ‘net-zero’ emissions of greenhouse gases by the [c]ompany and its major suppliers.” Similarly, in *Deere & Co.* (avail. Dec. 5, 2016) and *Apple Inc.* (avail. Dec. 5, 2016) the Staff concurred with the exclusion on Rule 14a-8(i)(7) micro-management grounds for proposals requesting that the companies generate feasible plans to reach net-zero GHG emissions for aspects directly owned and operated by the company by a fixed date. In comparison, the Proposal is more prescriptive, and thus micro-manages the Company to a greater extent, because the Company must “demonstrate” the specific result set forth in the Proposal before the report is issued, rather than just taking the steps of “evaluating the potential” or developing a “feasible plan” to do so.

For these reasons, the Proposal impermissibly seeks to replace management’s judgments on complex operational and business decisions and strategies with those of shareholders, who, as a group, are not in a position to make an informed judgment. Thus, the Proposal may be excluded under Rule 14a-8(i)(7).

C. *Regardless Of Whether The Proposal Touches Upon A Significant Policy Issue, The Proposal Is Excludable Under Rule 14a-8(i)(7) Because It Seeks To Micro-Manage The Company.*

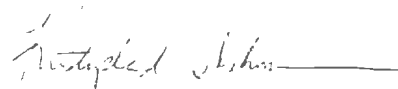
As discussed above, a proposal that seeks to micro-manage a company's business operations is excludable under Rule 14a-8(i)(7) even if it involves a significant policy issue. For example, the Staff's responses in *Apple* and *Deere* (discussed above) are particularly relevant. In those letters, the Staff concurred with the exclusion of proposals that intruded upon the day-to-day, ordinary business operations of the companies even though the proposals at issue addressed environmental matters (specifically climate change). Here, even if the Proposal is viewed as raising significant policy issues, the extent of intrusion by the Proposal on the Company's ordinary operations, as described above, means that the subject matter does not "transcend[] the day to day business matters of the company." Therefore, like the *Apple* and *Deere* proposals, the Proposal may be properly excluded under Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2018 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Please provide any correspondence regarding this matter to me at Kristopher.Isham@walmartlegal.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (479) 204-8684, or Elizabeth A. Ising of Gibson, Dunn & Crutcher LLP at (202) 955-8287.

Sincerely,



Kristopher A. Isham
Senior Associate Counsel
Wal-Mart Stores, Inc.

cc: Elizabeth A. Ising, Gibson, Dunn & Crutcher LLP
Daniel Schladelman, Organization United for Respect

EXHIBIT A

December 8, 2017

Gordon Y. Allison
Vice President & General Counsel
Corporate Division
Wal-Mart Stores, Inc.
702 Southwest 8th St.
Bentonville, AR 72716-0215

Dear Mr. Allison:

On behalf of the Organization United for Respect ("OUR") I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in Wal-Mart Stores, Inc.'s ("Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the U.S. Securities and Exchange Commission's proxy regulations.

OUR is the beneficial owner of approximately 40 shares of the Company's common stock, which been held continuously for more than a year prior to this date of submission. We intend to hold the shares through the date of the Company's next annual meeting of shareholders.

The record holder of the stock will provide the appropriate verification of OUR's beneficial ownership by separate letter. Either the undersigned or a designated representative will present the Proposal for consideration at the annual meeting of shareholders.

If you have any questions or wish to discuss the Proposal, please contact me at 312-502-5280 or at dan@united4respect.org. Copies of correspondence or a request for "no-action" relief should be forwarded to Daniel Schlademan c/o Leonard Carder, Attn: Eleanor Morton; 1188 Franklin Street, #201, San Francisco, CA, 94109.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Schlademan', with a long horizontal flourish extending to the right.

Daniel Schlademan
Co-Director and Board Member, Organization United for Respect (OUR)

Cc: Howard N. Handwerker, Amalgamated Bank

Encl: Shareholder Resolution

RESOLVED: Shareholders request Walmart prepare a report, omitting proprietary information and prepared at reasonable cost demonstrating the company does not have any racial or ethnic pay gaps. For purposes of this Proposal, a racial or ethnic pay gap exists when (i) one or more particular jobs or statuses (e.g., management, part-time work) are disproportionately occupied by persons of a particular racial or ethnic group, compared to the composition of the workforce as a whole; or (ii) persons of one racial or ethnic group are compensated differently from persons of another racial or ethnic group performing the same job under the same job description, with the same experience and level of performance.

Whereas:

Walmart's frontline workforce is diverse. The company's 2017 Global Responsibility Report found that 43 percent of U.S. Associates are people of color. Yet, people of color are *underrepresented* in higher paying, higher status positions at Walmart: only 31 percent of its U.S. managers and only 21 percent of corporate officers are people of color.

Progress on meeting Walmart's Diversity Goals Program to create "accelerated opportunity to our women and people of color" is aided by the disclosure of the aforementioned statistics. However, Walmart also does not report on race or ethnicity pay gaps. And, while Walmart's hourly workforce is about 50 percent part-time, the company does not report on the whether people of color are concentrated in these typically lower-compensated positions.

While there certainly are part-time workers who prefer part-time work, according to the 2015 U.S. Current Population Survey, black and Latino workers are more likely to be stuck in part-time time jobs *when they want full-time work*. In fact, the retail, leisure and hospitality industries accounted for 54.3% of the growth of involuntary part-time employment between 2007 and 2015. Nationally, part-time jobs tend to pay less than full-time, are less likely to provide health insurance and paid time off, and frequently involve unpredictable, variable schedules.

According to the Economic Policy Institute, average hourly wages for black men are 78 percent of those of similarly situated white men. Wages for black women are 66 percent of those of comparable white men and 88 percent of those received by white women. According to Demos, "retail employers pay Black and Latino full-time retail salespersons just 75 percent of the wages of their white peers." These stubborn pay gaps have attracted attention from national media and policy makers.

With Walmart's commitment to having a "workplace that is inclusive of all people" and "us[ing] data to measure progress," not reporting racial and ethnic pay gaps or the composition of the part-time workforce is a glaring omission. A diverse workforce increases access to talent, innovation and growth and safeguards company reputation.



HOWARD N. HANDWERKER

First Vice President

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December 8, 2017

Gordon Y. Allison,
Vice President and General Counsel,
Corporate Division Wal-Mart Stores, Inc.
702 Southwest 8th Street
Bentonville, Arkansas 72716-0215

Re: Shareholder Proposal For 2018 Annual Meeting

Dear Mr. Allison:

I am writing concerning a shareholder proposal sent to you by the Organization United for Respect ("OUR"). OUR is a customer of Amalgamated Bank. OUR beneficially owned 40 shares of Walmart Stores, Inc. common stock, worth at least \$2,000, continuously for at least one year up to and including December 8, 2017, the date on which OUR submitted the proposal. Amalgamated Bank has acted as record holder of these shares and is a DTC participant.

If you require any additional information, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Howard N. Handwerker', written in a cursive style.

cc: Daniel Schlademan, OUR Co-Director