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WHAT IS WALMART DOING TO IMPROVE ETHICS AND SOCIAL RESPONSIBILITY?

Walmart is working to improve its ethical reputation along with its reputation for sustainability and corporate governance. In 2004 Walmart formed its Global Ethics Office and released a revised Global Statement of Ethics. The intent of the Global Ethics Office is to spread an ethical corporate culture among its global stakeholders. The Global Ethics Office provides guidance on ethical decision making based on the Global Statement of Ethics and an ethics helpline. The helpline is an anonymous and confidential way for associates to contact the company regarding ethical issues. Additionally, Walmart has an Ethical Standards Team to monitor the compliance of supplier factories with the company's "Standards for Suppliers" and local laws. Walmart claims that in a period of several months the firm interviewed 1,000 market personnel in various countries, dedicated \$35 million to new processes and procedures, and developed ethical training sessions for more than 19,000 associates.

Walmart has also contributed significantly to disaster management projects, economic empowerment for women, and supplier development. The company donated over \$1.5 million in aid for the victims of Hurricane Sandy, including money, food, and goods. Walmart allocates \$2 million in grants for associates whose homes are damaged and created a toll-free number for associates needing help. In terms of increasing opportunities for women, Walmart made a commitment in partnering with 150 factories and 60,000 women to teach women valuable skills to help them escape poverty. Additionally, Walmart created the Supplier Development Program, a partnership that works with 100 suppliers annually with the intent to improve their factories' productivity and working conditions.

The company has also recently embarked on a health initiative to address the growing problem of obesity in America. Walmart U.S. President Bill Simon met with First Lady Michelle Obama to discuss the issue. Walmart announced it would lower the prices of its fruits and vegetables and reduce the amounts of fats, sugars, and salts in the foods it sells. Specifically, the company formulated goals that include cutting sodium by 25 percent and sugars by 10 percent in food under its Great Value brand over a five-year period. By putting its weight behind solving the obesity epidemic, the world's largest retailer might be able to create significant change toward healthier eating habits.

Walmart Today

Walmart remains the preferred shopping destination of many consumers, particularly after the financial meltdown of 2008–2009. Although Walmart prospered during the recession while other retailers suffered, the company's U.S. sales have begun to decline. Walmart itself acknowledged that it strayed from Sam Walton's original vision of everyday low prices in order to court higher-income customers. Several initiatives, such as Walmart's adoption of organic food and trendy clothes, did not achieve much success with discount shoppers. Walmart also underwent a renovation effort that cut certain products, such as fishing tackle, from its stores. These actions alienated Walmart's original customer base. Households earning less than \$70,000 annually defected to discounters like Dollar Tree and Family Dollar. Analysts believe Walmart's mistake was trying to be everything to everyone, along with copying its more "chic" rivals like Target. Because of these blunders, Walmart's domestic sales are experiencing a slump. As a result, Walmart is returning to Sam Walton's



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