

# Doug McMillon's Remarks at Walmart's 2019 Annual Shareholders' Meeting

*The following are prepared remarks for Walmart CEO Doug McMillon at the company's [Annual Shareholders' Meeting](#) on June 5, 2019.*

Thank you, Greg. Good morning, everyone, and thank you for your interest in our company.

Thank you to Senator Sanders and to all the shareholder proponents for being here today.

This [past fiscal year](#) was a strong one for Walmart, and I'd like to start by thanking our associates.

This team of ours continues to amaze me.

Their ability to change and grow is impressive and so important during these times.

I joined Walmart more than 28 years ago as an hourly associate loading trucks in a distribution center, and I've worked all over our business – and I've never seen the pace and magnitude of change in retail like it is now.

Retail history teaches us that those that fail to adapt will struggle and eventually perish.

So these past few years, we've made significant investments to put us on a stronger path.

We've [invested in our associates](#) with higher pay, training and education, in [new technology](#) for our associates, in lower prices for our customers and in our eCommerce business to help ensure our future.

Our operating margin percentage is slim, and these investments hurt earnings for multiple years.

We would like to thank our shareholders, collectively, for demonstrating understanding and some degree of patience.

Taken together, these decisions are working.

Our store traffic, store sales and eCommerce sales for Walmart U.S. have been growing.

Just a few years ago, our U.S. comp sales ran down for 5 quarters in a row, but we've now run up in comp sales for the past 19 consecutive quarters.

Last year, excluding fuel and tobacco, Sam's Club comps increased 5.7%, and our international markets delivered positive comps in 8 of 10 markets.

Our top priority is to serve customers.

Sam Walton was called a merchant with a servant's heart, and we still embody that mindset today.

Over the years, we've learned that the best way to serve our customers is by [creating shared value](#) among our broad group of stakeholders.

That means we consciously work to balance the interests of our customers, our associates, suppliers, communities, shareholders and our broader influence on the world.

Those of you who follow the company closely know that we've changed a lot over the years.

Let me share a few examples of the recent changes we've made for our associates that reflect both the heart of our company and sound business strategy:

We've moved up our starting wages in the U.S. by 50% in the last 4 years, and we continue to adjust on a market-by-market basis to recruit and retain the talent we need to run a good business.

In fact, over the last four years, we've invested an incremental \$4.5 billion in pay, beyond our traditional annual wage increases, for our U.S. store and club associates.

It's clear by our actions and those of other companies that the federal minimum wage is lagging behind.

\$7.25 is too low.

It's time for Congress to put a thoughtful plan in place to increase the minimum wage.

Any plan should take into account phasing and cost of living differences to avoid unintended consequences.

In addition to our investments in pay, our hourly associates earned \$793 million in quarterly cash bonuses last year on top of their hourly compensation.

We established training academies here in the U.S. and in several countries around the world.

We promoted more than 215,000 U.S. store associates last year.

Across our total U.S. workforce, 57% of our hourly promotions were to women and 45% were to people of color.

75% of U.S. store management started as hourlies.

We've [hired more than 225,000 U.S. veterans](#) since Memorial Day 2013 with a goal of hiring 250,000 by 2020.

We launched a \$1-a-day college program, and so far more than [7,500 associates are participating](#).

This week, we're [announcing the expansion of that program](#) to include technology degrees, more schools, and support for high school students.

We expanded parental leave to as much as 16 weeks of paid time off for birth mothers.

We added a \$5,000 per child adoption benefit, which is an idea that came from an associate during a town hall meeting.

We [created centers of excellence](#) partnering with providers such as the Mayo Clinic and Johns Hopkins for associates facing a health crisis.

And we offer health care options for associates that start as low as \$28 per pay period, which is about 40% less than the national average.

We cover 1.1 million associates and family members here in the U.S.

Our work to create a more inclusive company has been recognized by the Bloomberg Gender Equality Index, the Disability Equality Index and the Human Rights Campaign Corporate Equality Index.

We've also signed on to several initiatives including Catalyst CEO Champions for Change, CEO Action for Diversity & Inclusion and Paradigm for Parity.

Our work extends beyond customers and associates as we take advantage of the size of the company to do good in the world.

In 2005, we set an aspirational goal to be supplied by 100% renewable energy and globally we're now at 28%.

We've launched [Project Gigaton](#), an initiative to avoid emissions in the supply chain by one billion metric

tons by 2030 and more than 1,000 suppliers have signed up.

We set a goal of eliminating waste from our system entirely, and we now divert 78% of our waste from landfills.

Through Acres for America, an initiative that protects an acre of our nation's parks for every acre we develop, we've helped protect 1.4 million acres since 2005.

And we set a goal of selling more sustainable items in more sustainable packaging and have taken action to reduce salt and sugar from foods we sell, remove industrially produced trans fats, and lower prices on fresh fruits and vegetables.

Our efforts [extend to philanthropy](#) as well.

Last year, we gave \$1.4 billion in cash and in-kind gifts to projects that create opportunity, enhance sustainability, and strengthen communities.

To fight hunger, Walmart and the Walmart Foundation have provided 4 billion meals to those in need since 2014.

And because of our presence in local communities, we are there when disasters strike, such as the devastating California wildfires last year and the [current flooding we're experiencing](#), including in this region.

As we do with hurricanes and other disasters, we are supporting the community financially and with much needed supplies.

Finally, we have invested in ethics and compliance around the world.

We expect our associates, suppliers and contractors to champion a set of values, which include treating all people with respect, acting with personal integrity and complying with the laws of the communities in which we operate.

We provide a variety of resources for our stakeholders to raise questions or concerns, including a global helpline and the website [WalmartEthics.com](https://WalmartEthics.com).

I was 16 when I came to my first Walmart shareholders meeting with my dad who had taken some of the money he earned as a dentist and bought Walmart stock.

As I [learned about Sam](#), his business philosophy, his family and the company, I was beyond impressed.

That was more than 35 years ago, and I've never been prouder of this company and of our associates.

We're not perfect.

But, together, we're listening, learning and changing.

We know we can help our customers even more, and we love the challenge of helping our associates pursue their dreams through the opportunities that Walmart creates.

This is a company you can be proud to invest in.

Thank you again for your interest in Walmart.

Now, please allow me to introduce Rachel Brand, our Executive Vice President of Global Governance and our Corporate Secretary.

She will take us through the proposals.

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