

## 2022 Open Call Executive Session

### Company Participants

- Andrea Albright, Executive Vice President for Global Sourcing, Walmart International
- C. Douglas McMillon, President, Chief Executive Officer & Director
- Charles Redfield, Chief Merchandising Officer, Walmart U.S.
- Deanah Baker, SVP, General Merchandise Manager
- Doug McMillon, President and Chief Executive Officer, Walmart Inc.
- John Furner, President and Chief Executive Officer, Walmart U.S.
- Kathryn McLay, President and Chief Executive Officer, Sam's Club
- Latrice Watkins, EVP, Merchandising
- Megan Crozier, Chief Merchant, Sam's Club
- Sanal Kumar, Founder, Managing Director, and Chairman
- Tony Waller, Vice President, Constituent Relations and Racial Equity
- Unidentified Speaker

### Presentation

#### **Tony Waller** {BIO 19374461 <GO>}

Where is the clapping? Okay, that's better. That's better. Yes. Yes, everybody. What is up? You'll doing good? I know. I is doing great. How's everybody doing? Everybody excited? I'm loving this so, so much. Oh, I still have a little business to take care of. Could you'll excuse me for a second. Yo, Jared. You know how you said you want the seat on the upfront, you know how much I love you, I will let you have my seat right here. Come on bro. Both of you'll come on up and have my seat.

Now don't be saying, I'm not like generous or anything like that, right. I'll -- yeah, I've been messing with Jared all day, and I know one of these days he's going to get me back real good. And I will take it like a man, because I will deserve every bit of it, for what I have done to him, poor thing. Jared, you all right with me. Y you are okay with me. Now.

#### **Unidentified Speaker**

You are best jest [ph] in the room.

#### **Tony Waller** {BIO 19374461 <GO>}

You can talk about my shoes. But that's okay. We're going to leave that alone. No, for real. We're going to get on -- we got to get on track.

Good afternoon, ladies and gentlemen. My name is Tony Waller, I am Vice President, Constituent Relations and Racial Equity at Walmart. And it really is a pleasure to be with you this afternoon. I do not know what these crazy people were thinking, but they're asking me to do this. But hey, if that's what they want, that's what they're going to get here. And I hope that you all come along with the ride with me and put up with me as best you can. Sounds good? Thank you.

To all my Walmart family, I'm so happy you're here. Man, it's been a long time that I have been able to see so many of you all that I normally get to see only on zoom and I get to actually see you in person, it feels good. And so, thank you. I am just so grateful that you're here with us. And to all of the vendors, suppliers, entrepreneurs who are in the room, oh my goodness, you are going to go on. Do you all understand that?

This is our 9th open call, 9th. And at this particular open call, if you are in this room, you all did good. I mean, you all worked hard because there were over 13,000 suppliers, vendors, entrepreneurs, who put their names in the basket to be looked at and selected, 13,000. That ain't no joke you all. And of the 13,000, what -- we got what, like 1,100 -- little over 1,100 people here, 1,100 of the 13,000 up in this room. That's less than 10% you all, and I'm not being good at math, okay? But I even know that. That's less than 10%. You all are on it, special, great.

And when I think of the diversity of the supplier group that's here, it is amazing - veterans, people with disabilities, African-American, Latino, Asian, Indian, (Inaudible), I mean it's all here. You know that's hot. That is hot and I'm proud of the fact that we have been very intentional about making sure that the diversity of the suppliers that we're looking at, is as various it possibly can be. Looks like we're never satisfied with this thing, we are never satisfied, right. We've done great in the past, we'll do great this year, we can do better the next year before, the next year after.

So, we in for some good times. So you'll ready, you'll ready for this ride? I know I am, that I don't care I'm working. You bet, that's my handle right there. You'll don't know what I have to pay, if I don't do this thing right, when I get off the stage. Okay. Look at that, look, he tried to cut me off already. No, I'm just playing. But Mark, you've done a wonderful job in helping to put this thing together. I love you for it. I love you. I love you. I love you. Own your greatness, baby.

So let's get this thing on the road, right? I'm very happy about the program that we have for you today at this Executive Session. We got some great speakers here, few executives. We might even have a little celebrity or two, you don't know. I ain't say nothing. But we're waiting to see what happens, right? But I'm going to bring to you all, the star, you'll ready? I don't know if you'll can handle it. I can't handle it. But we have with us today, none other than the President and CEO of Walmart. The one, the only Douglas McMillon. I'm hugging and then I'm bowing.

### **C. Douglas McMillon** {BIO 3063017 <GO>}

Get out of here.

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**Tony Waller** {BIO 19374461 <GO>}

And then, -- oh I'm getting out of here.

**Doug McMillon** {BIO 3063017 <GO>}

Welcome to the Tony Waller Show. I'm going to try to go fast to make up the time, because we're already over scheduled for this session. If you're his handler, Mark, dude, good luck. I love you, Tony. I really do.

How is everybody? Congratulations, making it here as Tony said. It was a big group of people that wanted to be here and you all made it. This is one of my favorite days of the year. It does feel little like the American dream is coming true, kind of like the Shark Tank meets Bentonville, Arkansas. Welcome. There's nothing more fun than being in a meeting with one of you and asking the question, how many can you make? Like we'll take them. And I hope that happens to a lot of you while you're here.

I'm going to share just a little bit about the company and I'll start out by talking about our purpose. Walmart was blessed to be founded by Sam Walton, who created a purpose for this company that is timeless and we get up every day, trying to fulfill that purpose. How can we help people save money and live a better life? Give them access to high-quality products and services that they otherwise wouldn't be able to afford and help make their lives better for their families.

We have a set of values that we use to try and shape our culture and behaviorally carry out every day, whether it's in a store or a Sam's Club, a distribution center or in one of our offices, we are constantly trying to behave in a way that's consistent with those four values that you see on the screen.

In terms of where we're going, we want to be the best retailer, the first best place where people come to shop, but we also have aspirations to help improve their lives as it relates to healthcare and financial services. Help families reduce the cost of money, save for the future. And we also want to invest in communities and make decisions that are good for the planet. So as Tony mentioned, we care about having a diverse supplier base, we care about having suppliers that think about the same things we do and take action to strengthen communities and to strengthen the planet as we do it.

We've learned as a company that it's possible to do all those things at one time. You don't have to just focus on cost or just focus on other things, you can work together and think systemically and make a lot of good things happen for the communities that we serve in planet. And we believe in having multiple stakeholders, the ones that were mentioned on the screen.

I'm going to take just a minute and talk about Saskia Foley. And I think Saskia is participating via Zoom today. She's got a family-owned company called Radius, in

Kutztown, Pennsylvania. And she and her family make a kid's toothbrush that's made out of 70% recycled content. And she was here last year at this meeting. Her company also makes products with 60% of the materials from the U.S., on low energy machines with 75% CO2 reductions.

This was the first recycled product that we had in the kids oral care category. We're working on an adult skew. She was sitting in one of those seats, I guess last year on with the pandemic, it may have been on Zoom. And she was one of the folks that got a yes. And so she's a great example of success. We want to congratulate her, if you want to.

When we think about sourcing, we want to buy locally. We want to buy near communities where we serve customers, that's true here in the U.S., that's true around the world. We want to do that because we want to help create high-paying jobs. We want your help to create value for customers to help us fight inflation. Inflation is way too high right now and people are struggling and suffering as a result and we want your partnership to help get those prices down. We're in communities we're within 90% of America within 10 miles. So we're part of the community with our associates, our associates volunteer hours, we give money locally. We want to have a complete cycle there that enables communities to get stronger as I mentioned before.

Our big goal is to have \$350 billion of investment, made with items that are grown here, produced here or assembled here in the U.S. And along with that, would come an additional 750,000 jobs by 2031 here in this country. We can't do that without you. So, thank you for playing the role that you play. And now we'd like to take a look at how our investment in American jobs actually comes to life. Thank you all, and please check out this video.

(Audio-Video Presentation)

## **John Furner** {BIO 19351533 <GO>}

Welcome to open call, 2022. It was special to watch that video and to see those stories of people who were once sitting in your seats whose lives were changed with a Walmart order. As grateful as they are for the opportunity, we are even more grateful.

There's nothing we love more than empowering an American entrepreneur or business. And this is a passion of mine. In fact, when I'm visiting our Walmart stores, I also try to visit a Walmart supplier. When I was in Anderson, South Carolina last year, I visited the TTI factory where some of our lawn mowers were assembled. When I was in Minneapolis, I visited Nordic Ware. Nordic Ware connected with Walmart 1986, responding to a call from Sam Walton, who was looking to boost American manufacturing. Walmart soon began selling their Bundt pans.

When I was in Dallas earlier this year, I went to the Ole Mexican Foods Factory that produces La Banderita Tortillas and I talked to Veronica Moreno, and her son Edgar.

Veronica told me about how she made Tortillas in her Georgia home using her family's recipe, then successfully pitched them into Walmart. When I was in those factories, it was striking to watch people working and to think that their jobs are often made possible because of Walmart. To think even one new item for Walmart could lead to dozens, hundreds or thousands of jobs in the U.S. community. We take this very seriously. It's why we hold this event. We want to see new products that are made, grown or assembled in the U.S. and we want to add some of them to our assortment.

If you want to know how serious we are, think of those numbers you saw in that timeline, \$250 billion and \$350 billion. Back in 2013, Walmart pledged to spend \$250 billion over 10 years on products made, grown or assembled in the U.S. And today, we've met that commitment. We made it by partnering with so many amazing entrepreneurs and businesses, many of whom were once in your seats, and we're celebrating that milestone today, but at Walmart we never just celebrate. We keep going, so we're already focused on that \$350 billion number.

By 2031, we plan to spend an additional \$350 billion on products made, grown or assembled in the U.S. That investment will support the creation of an estimated 750,000 new U.S. jobs. Now those are big numbers, even for Walmart. And we need you to get us there. And that's why you're here. So thanks again for coming. The team is so excited to see your products. Have a great time and good luck.

### **Kathryn McLay** {BIO 20989984 <GO>}

Good afternoon. Thanks for being part of open call. I love this meeting because there's just -- there's so much potential of what could happen. This could be your time. When I think at Sam Walton's time, when his time arrived, and he opened that first Walmart store in 1962, the unemployment rate was rising, the stock market was reeling, and the economy felt pretty shaky.

It might not have seemed like the perfect time to make a dream come true. But our founder understood that the right idea combined with opportunity could lead to big things. And I think dreams need perfect timing. Sometimes they just need a chance, and I think that's what Open Call is all about. It's about finding -- having a chance.

So like Sam Walton, you wouldn't be here in this room today, if you didn't have a vision or a product that you really believe in, and we wouldn't be in here, if we didn't have customers or members, who are looking for unique products like yours that are made, grown or assembled here in the United States.

More than 85% of Walmart customers say that carrying products made, grown or assembled in the U.S. is important to them. And it's important to our Sam's Club members too. They understand that purchasing these products support American jobs and American dreams.

Here's another powerful number, more than two-thirds of the item we sell in our clubs are made, grown or assembled in the U.S. And as John noted, by selling these

products, we're supporting or helping create thousands of jobs in communities all across the country. That helps U.S. manufacturing grow and it's good for our business too. We have shorter supply chains, quicker lead times that helps our clubs keep the items on the floor, in the club.

Sam's Club sells thousands of products that are made in the U.S. One of my favorites is the Key Lime Pie. The pies are made from natural ingredients, including fresh-squeezed limes and supplied by Kenny's Great Pies' of Smyrna, Georgia. They arrived in the club, ready to go, and we top them with members --Sam's vanilla whipped ice cream and our members absolutely love them. And we have sold more than a half a million of those Key Lime Pies already. I think that's the taste of the size of the opportunity and that's just at Sam's. So, all you have to do is blow us away with your amazing product.

Congratulations for making it this far. Hopefully, this is your time. Good luck.

### **Tony Waller** {BIO 19374461 <GO>}

Did I do that right? Oh, I'm up. I got a little nervous here, you know, I thought my microphone might be cut off, but can you hear me? Yes. Kat, that was awesome. Thank you so much. Did you all know this is one of like my favorite days of the year, like I love this day. Ain't nobody saying like why Tony do you love this day?

Because we get to be with you all - the entrepreneurs, the ones who've got like amazing ideas and products that we're going to get a chance to take a look at, this is your day. Isn't that awesome to think that you all have an opportunity. Kat said that so well. This you had vision and now there's an opportunity and you're combining it, and this could be your shot.

And so I'm loving that. I cannot wait to see what ends up coming out -- and you know what ends up coming out of this. I'm hoping that that you've enjoyed everybody so far, and that you really had a good time.

For real, for real, this whole notion of entrepreneurship and U.S. manufacturing is incredibly important to us, because it has the kind of like this rollover effect, right? It's not just about your product, but it's about the fact that your product or your idea has the opportunity to create jobs. And Henry, you all talk about that all the time, right? How not only is it transforming your dream, but it's transforming the dreams of others. New jobs are being created, right. And not just new jobs are being created, people's lives are changing.

Folks who did not believe they had an opportunity, now have an opportunity to change their lives. One life at a time. One community at a time. That's the kind of impact you all, that you all are making. You're not just changing the world, you're changing the axis on which the world turns. That's how bad you'll be. Don't ever, don't ever, don't ever, don't ever discount that. Whatever happens today or doesn't happen today, the deal is that your dream, your vision, literally can change the way this world operates and I want you to always think that way. Can we do that?

Now, Marcus asked me again to get off stage, so I'm going to do that. But before I do, I would like to bring up to somebody's -- bring up somebody who is just awesome, awesome, awesome. Please join me in welcoming Andrea Albright, Executive Vice President for Global Sourcing to the stage.

## **Andrea Albright**

Awesome, awesome, awesome. Do we have some entrepreneurs in the house. Yeah. You're excited to be here? Yes. You really going to sell some stuff? Yes, I'm excited for you.

My name is Andrea Albright. I have responsibility for Global Sourcing and I'm so excited to have you here today. As Doug mentioned, we have an ambitious goal, \$350 billion and sourcing from Made in American products. That's a huge objective and we know that doesn't happen overnight. It's kind of hard to make products in the U.S. There's a lot of things, a lot of challenges, whether its supply chain, whether its manufacturing, and we know we have an opportunity to kind of, to continue to figure out how to solve those challenges.

In true Walmart fashion, we know we can help. It's not just up to our entrepreneurs and our suppliers to do it on their own. So as part of that initiative, we've created a program called American Lighthouses and what that means is that we're putting together industry representatives, we're putting together manufacturing, supply chain and a lot of academia to figure out how we want to solve these problems and do it in a new and a different way with the support of Walmart, powered by Walmart, you could say.

And so, we're excited to talk a little bit about that opportunity. And one of the first lighthouses that we went after was in the textile industry. We knew that there's an opportunity in apparel and soft home and really trying to figure out some of the cotton and fabric and fiber Made in America. So I'm really excited to bring up two people to talk to me, and talk to you a little bit more about this initiative.

So I'd love to introduce Classic Apparels. We have with us today, Sanal Kumar, who is the Chairman of Classic Apparel. They were one of our first partners in Made in America, in the Lighthouses project to really help us rally behind the opportunity in textiles. And then Deanah Baker, our SVP of Apparel, to help us kind of talk through this project with Classic. So join me on the stage, please. Hi, guys.

## **Sanal Kumar**

Hello.

## **Andrea Albright**

Sanal, thanks for coming.

## Deanah Baker

I think you're the guest of honor. I think --

## Questions And Answers

### A - Tony Waller {BIO 19374461 <GO>}

(Question And Answer)

### A - Andrea Albright

You're the guest of honor. You can start right here in the middle. Yes, no, take your seat. So Sanal, we're going to start with a question for you. You've been manufacturing for Walmart since 2002, you're in a lot of different countries. Nine countries I believe, primarily Jordan, Bangladesh, you've been a long-term partner for us. What changed for you? Can you tell us why you decided to come into the U.S. and why today?

### A - Sanal Kumar

Thanks, Andrea for the question. Before I answer your question, I should thank Walmart to getting me here today, It's a huge honor for me to sit and face all this audience, and it's a huge honor, that's what I can tell you.

And to talk about what made me to think about U.S., I should say that in the last two decades, I'm into this business and initially we started in Jordan, then we got into Bangladesh and India, and we have 30,000 people working in Jordan. And in this 30,000 people, the beauty is I started with just 300 people in 2003 and I could grow to 30,000 people today. And on this 30,000 people, 6,000 people are Jordanians and these 6,000 Jordanians were trained, engaged and all these people are in the rural areas of Jordan. I am pretty sure that if we could not have created this job for them, there is no way they could have find a job in those rural areas. People who knows Jordan, do understand what I am saying.

So the same spirit is what got me into U.S. I know that U.S. was once upon a time manufacturing garments. I'm talking about 1970s. And now since the business was not there for a long while, the expertise is missing, the engagement is missing, but I'm sure that if we start, I mean initially, we are starting with 100 jobs. And we are planning to have at least 300 jobs in next two years. So that's the plan. And once we start this, there are a lot of challenges we understand, but I am sure that with the support of a great, great company like Walmart, we will definitely thrive through and we are absolutely confident of.

### A - Andrea Albright

Yeah. Deanah, what's your thoughts? I mean, this isn't an easy thing to do. Talk a little bit about your thoughts on Classic and how you engaged in that way?



## **A - Deanah Baker**

Well, if it were easy, someone would have already done it, right? But you just heard someone who likes to tackle and does a wonderful job doing very difficult things. So what I appreciate most about Sanal and his team is that they are true visionaries, but coupled with execution, they have great executorial abilities. And so when this came up as the challenge and we're going to do it, it made perfect sense that with the partnership of Classic that we could figure out a place to start. And so it was pretty easy, yes, on my part.

## **A - Andrea Albright**

Yeah. Great. Sanal, what, what barriers did you encounter? What did you have to solve for as you started to build manufacturing in the U.S.?

## **A - Sanal Kumar**

Yes. The major challenges of the workforce, the scalability, the expertise, and the raw materials. So if you talk about, there are a lot of challenges. But at the same time, these challenges were there when I started in 2003 in Jordan too. So, as long as you hold on, give your 100%, and keep working on toward, we are very sure that down the line we can make it happen. May not happen the year one, but we are absolutely sure that with continuous perseverance, we should be able to reach there.

And in addition to that, Walmart U.S. Lighthouse, along with the state's commitment, I'm sure that a lot of incentives can possibly flow in to see that we can create these jobs and then we can hold on. And initially, we are starting from connects [ph] you to consumer. But we have an ambitious plan to have, possibly from the yarn forward to consumer down the line, and that is what we are looking for. We are not just making 300 jobs and going to stay there.

And for you to know, 2016 we started our design house in the U.S. When the call was made by Walmart in November 2015, when they visited me in Jordan, they saw -- I mean Deanah was there in the trip. When they saw our operation, they said what is lacking for Classic is a design ability in U.S.

In three months, from November to February 2016, we started and we started in a basement with just two designers. Today, we have total 27 people working in our U.S. office and this people, 12 of them are designers and the balance of them are in the supply chain management, and now with this factory coming in, we are sure that we are completing the cycle of concept to consumer. And we are absolutely sure that we are just starting and this is only just the start, and we are absolutely confident of growing, may not be the size of Jordan, but definitely we have ambitious plan to grow.

## **A - Andrea Albright**

Yeah, that's great, thank you for that. And Deanah, it's not just on our supplier partners, right, there's considerations that Walmart has to make. Can you walk me through some of those considerations you had as you embarked on this program?

## **A - Deanah Baker**

Well, specifically with Classic because to your point earlier, we've invited lots of our suppliers and academia to help us figure this out. But specifically on this initiative with Classic, you talk about 20 years with Walmart almost, I've known you for 10 of it, right? So there's a lot of trust and relationship that's been created over the last decade, and the track record if you just stop for a moment. You know we've talked about our commitments to each other, they've invested for Walmart.

There's new factories at -- it's called Walmart City, it's for Jordan in Jordan, for Walmart product. It's near a port, so we can cut down lead times. Putting your money where your mouth is and you did that. It's the design office. In 2016, that we had the conversation that this would really help us forward the business done even local help for our teams here in Bentonville. And let's just not forget that it's been -- Classic has been our supplier of the year for apparel, several times in the last 10 years. So, I have all the confidence in the world that we're going to start here and it's going to go places.

## **A - Andrea Albright**

Thank you. Awesome. Congratulations on Supplier of the Year, that's a big deal. So now you've got a lot of entrepreneurs in the room who are maybe manufacturing in the U.S. or excited about the opportunity here. What advice do you have for them as they start the journey as an entrepreneur yourself?

## **A - Sanal Kumar**

First of all they should be very confident about what they're doing and they should come with a value proposition and they should know what the consumer is looking for, and they should believe in their product, and that is what they should do. And they should continuously perceive.

I mean, they are all here for a pitch tomorrow. Some may work, some may not work, but they shouldn't give up. They should continuously pursue so that they can definitely reach there. That is what my experience, my life experience taught me. And as I said, I started in a very, very small way. And when we talk about two decades of my business, prior to that, I was working for people for 12 years in the same line. So it was a -- it was a journey. I mean, you should also pursue the same thing. That's what I can advise you. Thank you.

## **A - Andrea Albright**

Deanah, anything to add?

## **A - Deanah Baker**

I would just take the moment to say all of you in the room, like as a merchant, we live to find quality and value items that our customers want, that will exceed their expectations. So go into your meetings with gusto and tell your story. Bring it to life. That's what merchants listening for. And then they're just being an advocate for our

customer. So, bring it with all the joy and enthusiasm that you have, we live for that kind of stuff. And best of luck to all of you. Thank you for sharing your innovation with us during these two days and for spending your time with us investing it, here at Walmart. I appreciate that.

**A - Sanal Kumar**

Thank you.

**A - Andrea Albright**

What a fantastic partnership and I'm super confident with our lighthouse programs with the work that you all are doing and the items that you're bringing to market today that we're going to continue to have many more stories like this. And we look forward to hearing more from that as you share with us.

With that, thank you Deanah, thank you Sanal and we're going to transition to Megan and Charles, our Chief Merchants for Sam's and Walmart and they're going to share with us a little bit on video on how Made in America and the Open Call Event fits into their strategies. Thanks.

**A - Charles Redfield** {BIO 19453530 <GO>}

Good afternoon. I'm Charles Redfield, Chief Merchandising Officer for Walmart U.S.

**A - Megan Crozier** {BIO 21582983 <GO>}

And I'm Megan Crozier, the Chief Merchant for Sam's Club.

**A - Charles Redfield** {BIO 19453530 <GO>}

What an honor it is to have you all here for this amazing day. Today we have opportunity for each of you, for our customers, and our members, and also for our company. It's by far one of my favorite days. Now, I'm excited about the opportunities that exist for you and your businesses and how this day can be a part of your success story.

**A - Megan Crozier** {BIO 21582983 <GO>}

It really is a big day, not just for you, but for all of us. Sam's Club has a long history of helping small businesses. In fact, helping entrepreneurs, just like himself was exactly why Mr. Sam opened the first Sam's Club in 1983. Since that time, we have grown to offer products and services, not just for entrepreneurs and small businesses, but also for families.

But no matter what our member looks like, they love great items, items that are high quality and offer a fantastic value, items that are innovative, distinct and churn right, and most importantly, items that are made, grown or assembled here in the U.S. And as you know, we have a lot of great items that are made in the US. One of my favorites is our Danishes. And let me tell you, they are not just a hit in my home, but with our members too.

Banneton Bakery is our supplier, and they've really put quality at the forefront of what they do. They create authentic European-style breads and pastries, utilizing traditional baking processes, high-quality ingredients, and state-of-the-art equipment. And when the pandemic hit, they expanded their facility and product lines to keep up with our demand. Their business with Sam's Club has been increased by 200% and because of that growth with us, they were able to bring 150 jobs to their community of Swedesboro, New Jersey. We love hearing stories about this. Stories that showcase the importance of offering our members high-quality items that are made, grown or assembled right here in the U.S. Charles, I'm sure Walmart customers value the same.

**A - Charles Redfield {BIO 19453530 <GO>}**

Yeah, Megan absolutely. Every day at Walmart, we are focused on serving our customers and their needs. More than 85% of our customers tell us it's important for us to carry those products made, grown or assembled in the U.S. as you said Megan. We also know how much our customers love new and innovative items in our stores, but also online, especially when those items are from companies like yours, and the towns across America our customers lived in.

And when we sourced domestically, we have shorter lead times and that means delivery more quickly for our customers. That is more important now than it ever has been. To sum it up, this day couldn't be more important. Megan, I imagine Sam's Club members feel the same connection to this impact.

**A - Megan Crozier {BIO 21582983 <GO>}**

You bet Charles. At Sam's Club, we want our members to love our items. It's why they choose to shop with us. And as a result, they expect to discover new and fun, high quality items at a good value every time they shop Sam's Club or samsclub.com. Items like yours. That is why this is such an exciting time. We are always seeking out great items to bring to our members. And over the course of just a few days, we get to see hundreds of them. In fact, this year is the largest event ever for Sam's Club, with more than 400 meetings set to happen.

**A - Charles Redfield {BIO 19453530 <GO>}**

That's awesome. 400 meetings set. I got to tell you, I've had the pleasure of meeting with many potential suppliers over the years during our open call. And one thing is always clear. You're all great merchants. The products we see, just learning how they're made and hearing about the American jobs they help support. You should be so proud of the work you're doing.

Now, I know we're humbled and honored to have the chance to learn about you, your business and what you can offer our customers and our members. And like Megan said, I have a favorite item as well. And it's from our last year's Open Call.

Now it has to be with Aunt Fannies. They manufacture non-toxic, cruelty-free, microbiome friendly, pest control and household cleaning products that use vinegar

and other natural ingredients like cottonseed oil, clove oil, and peppermint oil. How can that not be good right?

**A - Megan Crozier** {BIO 21582983 <GO>}

Sounds great.

**A - Charles Redfield** {BIO 19453530 <GO>}

Now, one of their items, is Fruit Fly Trap. It's a non-toxic Fruit Fly Trap. It's safe around people, food and pets, which is really important. So customers can use it in their home and their yard, worry free. Now, not only does it keep fruit flies away Megan, it also helps reduce food spoilage and waste.

Now Aunt Fannies pitched their brand and several items during last year's Open Call. And their Founder and CEO, Mat Franken was given a yes, the day of Open Call to get on the shelves of about 2,500 stores as well as online at walmart.com.

So, after spending time with Mat, we started working with him more closely. Our merchants learned more about the brand's production capabilities and Mat learned more about how his items filled a need for Walmart customers. It became very clear to Walmart just after a few conversations with Aunt Fannies. This was established to be set up for success and bring their items to even more stores. And so today, there are nearly 3,200 stores across the country. This is just one of thousands of success stories that are born from this day today. But we know everyone's success story looks a little bit different and we recognize the importance of supporting each of businesses individual needs.

**A - Megan Crozier** {BIO 21582983 <GO>}

I know Sam's Club and Walmart Merchants are so committed to helping all of our suppliers succeed and that's why today's one of their favorite days too. They love serving our customers and members, but they can't do it alone. They need you and your exciting items. So they're excited to see what you have to share.

**A - Charles Redfield** {BIO 19453530 <GO>}

That's right, Megan. Our merchants are very excited to meet with everyone tomorrow. They're ready to listen and learn from you, they're ready to understand how together we can bring customers and members even more products made, grown or assembled right here in the U.S. And make sure that you use your time together to ask questions and learn from them. I know we have the strongest merchants in business, so make sure you take advantage of that.

**A - Megan Crozier** {BIO 21582983 <GO>}

So, on behalf of Walmart and Sam's Club, thank you for being here. We wish you the best of luck.

**A - Latrice Watkins**

Good afternoon. Good afternoon. We're so happy you're here. We haven't had everybody here in a long time. I'm Latrice Watkins, and I lead the consumables business for Walmart U.S. Has anybody told you that this is their favorite day of the year? Well, I don't want to disappoint you. This is one of my favorite days of the year, and it's my favorite not only because we get to see incredible sets of items, but because all of you are here, because you've put your heart and souls into these products, and you want to share them with our customers.

So thank you for being here. I've got a couple of people who want to share a little bit about their entrepreneurial journey and I want to show you a video before I bring them out. Everybody up for that? All right.

(Audio Video Presentation) (Audio Video Presentation)

Please help me welcome fellow entrepreneurs and Founders of Hello Bello, Dax Shepard and Kristen Bell.

## **A - Unidentified Speaker**

Hello.

I asked them not to give you a mic till you got up here.

I got one.

Oh my gosh.

I'm a liability, everybody. (Multiple Speakers) Look like she's in danger when they show those photos of us next to each other? I don't realize why the size difference is good. That was intentional, let's keep it off.

Is it on? Yes.

Okay. Yeah, when I see us next to each other in a photo, I don't realize how preposterously sized we are.

I notice that every night when we brush our teeth together.

You do? It's dangerous.

Yeah.

Okay. Just real quick fast math 1 billion diapers, 2 billion but cheeks covered. I'm in trouble already with my boss.

It's okay. It's okay. We can handle it.

I was ready for it. I was ready for it.

You look so good in green. I just want to get that out there.

You look so good in peach.

Thank you so much. It's cobbler. Not to get nitpicky, but --

Did you look that up, because you called it peach in the back.

It was all a setup for this moment, where I got to say cobbler.

### **A - Latrice Watkins**

We're going to talk about U.S. manufacturing. Why don't you talk to us about how the manufacturing facility came about in Waco?

### **A - Unidentified Speaker**

Yeah. Well, as you saw, it's very colorful for good reason. Our businesses, I mean Dax and I at least run the business of storytelling. It's really important that everything feels eventized, and it feels like an experience and a story. That's why we have all the games outside and the stuff for the kids. We know that it's important to our consumer, that things are manufactured here in the U.S. and our job at when we make products is to listen to the consumer.

So we thought why not bet on ourselves. And it was a big risk that has it turned out to be, I think the best thing we've done for the company. So far, we're able to reduce our carbon footprint, and I think the entire facility is renewable energy. We're able to source and support U.S. raw manufacturers suppliers and logistical efficiencies and just better quality control. So it was a big investment, but it's really been a win-win.

### **A - Latrice Watkins**

Sustainable, you're part of Project Gigaton, you're doing all of the things.

### **A - Unidentified Speaker**

We're trying.

### **A - Latrice Watkins**

You are. Thank you. Customers, thank you. And not only are you doing that, you're impacting the community. And I know community is really important to you. So talk about how you think about, what is it like in Waco? How do you think about the role that you play in being part of the community there?

## A - Unidentified Speaker

Well, the premise of Hello Bello is really simple. We raised our kids in Los Angeles. There were a bazillion different outlets to get bazillion different products. We had access to everything. We had a budget that was disproportionate and probably unfair. And we're from Michigan, and our family is still there, and we thought it's not right that we would be in -- having access to this, and being able to afford this and not my sister-in-law or any family members.

So, the original premise is like everyone should have this, in likewise we're both born in Detroit, and I think at the peak of (Inaudible) watching manufacturing, leave, leave, leave, leave, and the devastation of that. That too is incredibly important to us. We very much want manufacturing to happen here. I think being where we're from, it will be impossible not to care about that. And we've added 200 jobs thus far to Waco. And when we're there helping by lifting that tractor up, they seem to like it. I mean, who knows, we're there. I don't know what's said behind our back, but they do seem very, very joyful to be in that playhouse.

We got to meet a lot of people who were really excited that it was opening actually as a diaper facility, because some of the guys that were there were -- first of all, that machine goes so fast.

Stand back.

You can't believe it. I mean, the 2 billion butt cheeks [ph], that's not a joke, there's a lot of butt cheeks in America, and all over the world. Everybody's got them, right?

Most people, we don't want to exclude anyone without butt, but assuming you are humans.

Of course, Of course. But there were some guys that worked, it was a diaper manufacturing facility a way long time ago. And they were super excited that it was opening again as a diaper facility, because it had just been an empty building for so long, and they just expressed gratitude in that. I mean, that really does mean the world, because it's, you can think about a business and you can look at numbers and spreadsheets, but when you're talking about human interaction, that's the most important part of it for us, for me, I think.

For you, yeah.

Yeah.

Look, this company is mom's quality and ingredients at dads' prices. So we both bring something much different to the table.

That's true.



That stuff's got to come in on budget. That's all I care about. Thank God, you're here. You make it all very good and healthy.

Yeah, you are very particular about good and healthy.

Yeah.

I'm sure, you care about the budget too?

I do. Yeah. Well, yeah, actually. No, I do. Because the goal of this entire company when we were going to these little boutiques and buying everything we wanted for our baby and not looking the receipt and kind of feeling this weird guilt about it, because we're actors and were drastically overpaid.

You more than me, but yeah.

Correct. Yes, very much so.

Go girl.

The idea behind all of it was, how do we get a great -- a premium product, intersect with affordability and accessibility.

And that's Q Walmart.

### **A - Latrice Watkins**

Yeah, that's right. And I remember the first time we met, and the most incredible part, and you told this, but I think people I know. You told the story about your sister, and about wanting her to be able to have the same things for her kids, that you had for your kids, and be able to afford it. And you came to us and said, we believe that you're the people who can make that happen because we're all about accessibility. Do you want to talk about the beginning?

### **A - Unidentified Speaker**

Yeah. This company doesn't exist without Walmart in any shape or form. There's no, no way we could possibly have done it. Because the goal was to have such an affordable price point, that there's no way we could have launched other than at a place with this enormous power over the economy and the scale, but it went beyond that. That just was a scalable math proposition. But the team here has developed, I don't know half of our products have been co-created by the -- under the stewardship of you, of Marley, of a bunch of people. I mean from our vitamins --

### **A - Latrice Watkins**

Sunscreen, you've been so --

## **A - Unidentified Speaker**

Hand sanitizer?

## **A - Latrice Watkins**

Hand sanitizer, exactly. You guys --

## **A - Unidentified Speaker**

Well, let us break for you, Latrice.

We'll take it.

Hand sanitizer that Latrice can --

## **A - Latrice Watkins**

Also hand sanitizer, yeah.

## **A - Unidentified Speaker**

But yes, I mean, it was way more than just hey, can we have access to your stores, which again was crucial for us to launch at this price point. But the development of the brand and the different products we have would not have existed without this partnership. It's been really incredible.

The guidance, because when we have questions, you guys answer it. And sometimes, we don't even know that there's a question floating around or something we could do better, but you tell us, it really -- it is felt like a partnership from day one. We never ever could have been able to do anything to this scale. Not even with leveraging all the weird talk show stuff we have, like, there's nothing that would ever be in comparison than working with Walmart, having access, because you guys, you have the stores everywhere like that story about my sister.

I have two sisters. We talked about things all the time. Oh, did you try this lipstick? Oh, did you try this diaper? And there were a lot of things I was recommending to her that, she, A couldn't afford, that just was like \$5 higher than what she could budget that month. And B, she couldn't find. She did not have access to it. There were no stores carrying it, because I was living in an LA, New York bubble. And Walmart provided answers to all of those questions. The stores are everywhere. The guidance is amazing. And we keep this on a really strong price point.

## **A - Latrice Watkins**

Thank you. Thank you. I think the thing that I would say, that's important about what we've learned from the two of you is knowing what you're trying to achieve, knowing what you want to achieve, and having the discipline around what you want for your products to stand for and helping us drive that in a consistent way with our ideas and our knowledge obviously, but all the passion that you have for your product

connected to how you want that for the customer is really important. And so like Deanna said, telling your story, talking about that is really important when you talk to our merchants over the next day or two. You've got some new items to. Do you want to talk about those?

**A - Unidentified Speaker**

Do we ever, is there?

We're launching dirt bikes, ATVs, and side-by-sides 2023.

We have merchants for that.

**A - Latrice Watkins**

I wouldn't be shocked if you see him, given the fact that Dax access so much control here. But I think, we got a really cool, I thought we might have had a picture of it. We got some really cool camo print coming out in the diapers. Oh, do you have it? Oh, yeah, it's right here.

**A - Unidentified Speaker**

Oh, here it is.

We got a radical camo print. We've been waiting to find the right camo print for a while.

It's gorgeous. I can't see it, that's how gorgeous it is.

It's wonderful. Oh yeah, there we go.

No, I mean, it's camo was my joke.

Oh, I thought you meant, because you're -- he's been talking a lot lately about his eyes (Multiple Speakers). Last night, we watched television. He wore one eye patch. He said it was to train this eye. I watched television with a pirate last night.

Oh.

This one's really getting lazy. So I'm trying to give it some reps at night when I watch TV. I can't see anything. I'm asking her the whole time (Multiple Speakers).

**A - Latrice Watkins**

We've probably got some products for that.

**A - Unidentified Speaker**

Okay. Yeah, eye glasses, but he doesn't want to do that. We have some pretty special stuff coming out at Christmas time.

If you're wearing eyeglasses and you're in this audience, I'm looking at you, you're a quitter, okay? Who else do we got, you sir. You sir, are a quitter.

He believes that it's training. He thinks he can train it. And so, in the morning, he'll cover this eye, when he journals for nearsightedness. And when we watch television, he covers this eye, because this one needs to be trained for far sight -- farsightedness.

### **A - Latrice Watkins**

One of our open call participants, one year was an eyeglass company. I think you should meet them. Just to get some more information.

### **A - Unidentified Speaker**

A shortcut?

### **A - Latrice Watkins**

I'm just saying, I'm trying to expose you and expand your network.

### **A - Unidentified Speaker**

18th century technology that I should be aware of.

### **A - Latrice Watkins**

What have you learned? What can you share with the audience about how they should think about the time they have with the merchants over the next day?

### **A - Unidentified Speaker**

I can be sincere about this. And also I will only speak for us, but we had other jobs, we like the other jobs. We really did not do this, so that we could have a big business, that sincerely wasn't the goal. And for us to be a part of anything, I've got to really believe the thing is of importance. I'm not -- we're not looking to find like, oh, that came in a 32-ounce bag, but if we go to 34-ounce bag, everyone will buy. That's never been the thing. We believe in our story.

Our story is we want everyone to have what we had. We've been spoiled and we want as many people to be spoiled as possible. And that drives, that little principal kind of drives all the skews that come out, and everything that follows from it. And it helps us when we have to make hard decisions. They come endlessly. There's always something tempting to do. The Waco in manufacturing facility. That's not an easy commit. I mean, there's way easier and cheaper ways to do it. But I think for us having -- knowing exactly what our story is, what we believe in about it, has helped us make these decisions along the way over the last few years.

Yeah. It comes down to our values list that I think we have and manufacturing here in the U.S. was one, that's why we took that enormous swing. But now we're able to say, oh, we're the only independently owned diaper manufacturing facility.

Can we say it at every dinner party?

All the time.

If you ever are at a party with us, we will say that several times.

You'll know.

Yeah.

This is a party. Why don't you go ahead and say it again?

Guys --

Only independently owned diaper manufacturing facility here in the U.S., from design to deliverable. But I think as far as what to talk to, your Walmart merchants about, I mean, I have no idea about business, okay guys, I can barely do math sincerely, but every question I have has been answered by our wonderful merchants. It's been -- it's been such a learning curve for me, because I have the story and the product in my head.

But figuring out how to make that come to life, requires someone that's much smarter than me in a different field. And I have been able to depend on our Walmart merchants for so much guidance, helpful tips. What do you think we should do? Like, where do you see this going? Because they have great ideas, and they are in the thick of it, putting those items on shelves, seeing what gets moved, seeing what the consumer wants every single day. So depend on them, share everything with them. While like --

And text, text Latrice in the middle of the night, and say we cannot get our 7-year-old to stay in her bedroom.

She's there for you, that's the thing.

What should we do?

Beautiful.

## **A - Latrice Watkins**

Yeah. Do that. Thank you all so much. We're happy that you're here. We love Hello Bello. And we can't wait to keep growing the brand.

## A - Unidentified Speaker

Thank you. We're so grateful to you.

Yeah. Yeah. We owe it all to you.

Latrice was at the table the first time we came into Walmart. She was our first pitch, and has been our biggest champion. And we are just so, so grateful to still be in business with you.

Can you all help me appreciate Kristen and Dax.

Wow. How cool is that? That is only at Walmart, right? Hello everybody. My name is Ben Peterson. I am the gardening and grass seed buyer for Walmart.

I'm Kim Levitsky. I buy sauces and condiments.

Hi, I'm Slade Blair, I'm the merchant for our batters and seasonings business.

We are so excited to have you guys. I mean, this is a magical moment for all of us. As merchants, we want to have the best products. We want to have the best retailer, and the only way we can do it is with you guys. And then making it U.S. manufactured makes it that much better. So I just want to thank you all for being here, and tomorrow is going to be a really, really fun day.

So to kick into it, Kim, Slade and I have picked out three items that we thought were pretty cool. We haven't met with you guys yet, but we were able to kind of look over the pictures and get a little bit of a sneak peek. And we wanted to highlight a couple of them, just to get us kicked off. So I think we have a picture of them coming up, so we'll go ahead and get into them. But as the gardening and grass seed buyer, I -- yeah. Please. Yeah, go ahead. This is great items. Great items. Thank you.

So as the gardening buyer, I'm always looking for what can we take and make the gardening experience easier for customers. I look across this room and I see 1,100 potential gardeners, but I'm looking at each and every one of you and trying to figure out what's keeping you from starting your own little garden. So my first item is, it's a spicy salad mix, microgreen kit. So that's kind of a mouthful and it's kind of a big deal. So microgreens, if you don't know about them, they are the small version of maybe like a broccoli or an arugula, but they pack about 20 times the nutritional value as when you fully grow them.

So it offers a great nutritional value and they're trending pretty heavily right now. So that's also something we look at as a merchant. So with this item, our easy grow supplier partner has come up with a solution. No soil, no mess. All you got to do is set the preceded pads in this little tray, add some water, and in probably about, I don't know, two weeks you'll end up with microgreens that you can enjoy putting

your smoothies, your salads. So this is an awesome item. So, give it up for these guys. This is a really -- this is a cool product.

So as many people before me have said, this is one of my favorite days every year, because I get to meet all of you and learn about all of your great products. I've been a part of this event for seven years now, and I have met brands that are on the forefront of innovation, creating opportunities for their communities and delivering on our customer's needs.

Our customers are continuing to cook more and more at home. They're making the same meals over and over. They're getting bored. I know, I am every night when I make the same thing. So what better than sun sauce, a fun and flavorful sauce to fight that food fatigue and make your meals exciting again. Our customers are asking us for flavors that are regionally relevant, from their local communities and their favorite restaurants, but they're also looking for better for you options, that they can feel good about serving to their customers.

Pitmaster LT's barbeque sauce delivers on all of that. Luther Tooks, a U.S. army veteran and Pitmaster started to develop a recipe, when he couldn't find anything that satisfied his taste. He perfected his recipe over three decades and he owned and operated a restaurant that many claim still to this day to have served the best barbeque in Kansas City. His barbeque sauce is distinctly Kansas City style, but also incorporates flavors from other regional styles. So not only does it have a really unique and high quality flavor, but it also is all natural, preservative-free and has no high-fructose corn syrup in it. I really enjoy being able to deliver products that meet our customer needs while also supporting local communities. And I can't wait to meet you tomorrow, Pitmaster LT.

Nice. Fantastic. So, this will be my fifth year now. Doing these open call events. I got to tell you the excitement level, I think goes up substantially every year. And I'm going to go ahead and say, because everyone else has. It's the most fun day of the year, most fun week of the year. That's just, I feel like you have to say that when you get on stage here, but it's true. It's very true.

The reasoning for that go way beyond just the items themselves. Like I'm going to talk about the impacts that an item can have. So obviously, it impacts you guys, for the entrepreneurs to get a deal. It impacts the end customer at Walmart to have new compelling assortment. And it certainly impacts communities in which manufacturing occurs.

And so Katrina's Kitchen here, an all purpose season flour, who doesn't love a good fried chicken, right. So, a fantastic item that kind of checks all the buckets for us on that front. So she started just in the restaurant industry, right, 20 years, continually had customers coming in, just raving about her different bread and her seasonings, all under the sun there. And then, so she decided to go and package it, and actually bring it to life at mass. And so just a fantastic, fantastic item, really excited about what

she can bring to the table and really hone in on the strategy around for me personally within food, being super regional, right.

I mean, be conscious as, you know, as you go in your meetings tomorrow on what your scale looks like, it could be a hundred stores, it could be 3,500 stores, be aware of your reach as far as your consumer, and your end customer, and be transparent with your merchant about that as well, because ultimately that's what's going to set you guys up for the most success. So, Katrina looking forward to meeting you tomorrow, if you're in the room. There you go. So thank you for being here.

That's awesome. So I promise we didn't get together to try to make you guys all hungry with these delicious options, but I'm kind of seeing some good dinner for tonight, some good inspiration, but thank you guys very much. And seriously, tomorrow is going to be a big day. Can't wait to see the magic happen. I think there's a few in this room that I get have an opportunity to meet with and see what kind of innovation you guys are bringing to the table, but just know that, we're thrilled. We're going to ask some hard questions, feel free to ask us some hard questions as well.

And just to get this thing kicked off, I think we could do one last little special event. So, if you give me just a moment. So, tomorrow all three of you suppliers are going to be receiving an 'I got a deal ticket.' So Katrina, Pitmaster LT, could you guys please stand up for just a moment.

And don't worry, everybody, will bring a big check book. There'll be some more -- there'll be some more deals tomorrow. So that's what we've got for today. We got one more words of encouragement that we're going to flash on the screen for you, but thank you guys very much, and we'll talk to you tomorrow.

Great job.

Hey, thank you, Charles.

(Audio-Video Presentation)

### **A - Tony Waller {BIO 19374461 <GO>}**

Is this the best day ever or what? It is the best day ever, but tomorrow is going to be even better, you'll. Tomorrow is going to be awesome. I'm so excited for you all. Thank you all so much for being here today, and I hope that you enjoy today's executive session. Tomorrow is going to be a tremendous day, and it's going to manifest itself in a lot of different ways.

For some of you, right, we might do a little testing in a few stores here and there. For some of you that test may be a couple of hundred stores. For some of you may be something virtual. It could be a combination thereof. But know this, you have been created for this moment. You are prepared for this moment. Take advantage of it, okay? Make this your moment. I cannot wait to see what comes out of this tomorrow.



I've already told Marky[ph] better give me the list. I want the fire. I mean, I want those, I want to know offhand. I want to know it first hand before anybody else after you, of course. I want to know after everybody else, I want to know. I'm excited to see what happens.

Remember that this is your moment. You are not here by chance. You are not here by luck. You are here because you're supposed to be. You all hear me? So make it happen people, make it happen. Make me proud. Make Papa only proud. Oh, my babies here. I love you all. Have a wonderful day. Have a good time. Get to know each other, because you never know what could come from this experience, right? Some pretty awesome, exciting things could happen just by you all saying hello to each other, getting to know each other, and something real special happens.

And if it does, I want my cut. Cool and copasetic have a wonderful day. But before you leave, I want to share one last video of inspiration for you all. Haith and Henry, we're going to show your video, Le'Host wigs. It's an awesome story. Take a look at this video, leave inspired, and get ready for an awesome, awesome day.

And I thank you from the bottom of my heart for putting up with my craziness, have a wonderful time. Take a look at the video, and we'll take it from there. Cool and copasetic.

## **A - Unidentified Speaker**

Cool and copasetic.

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