

BAR WORKER INTIMIDATION

Whereas: The reputation and economic value of our company are at risk due in part to numerous serious allegations of unfair treatment of Wal-Mart associates and contract supply chain workers. These charges have been investigated by the US Congress and featured prominently in international media coverage.

A report by the Democratic staff of the US House Committee on Education and the Workforce documented class action lawsuits on gender discrimination in pay and opportunities for advancement; litigation for withholding of earned wages and forcing associates to work unpaid overtime hours; and aggressively discouraging workers from exercising their right to freedom of association.

A handbook provided to company managers states “Wal-Mart is opposed to unionization of its associates.” But the company appears to have moved beyond opposition to repeatedly violating federal labor laws. Between 1998-2003, at least 288 unfair labor practice charges were lodged against the company, accusing it of interfering with employees’ freedom of association. 94 of these charges resulted in formal complaints against our company by the National Labor Relations Board. Federal prosecution of unfair labor practices resulted in 11 rulings against the company and 12 settlements. (Source: American Rights at Work)

The company has a double standard on workers’ rights. It opposes unions in North America but allows unionization of retail stores in China. Chinese unions are used primarily as a means of party control over workers; independent unions are illegal. The same unions are the only ones allowed in Chinese supplier plants where \$15 billion of goods are made for our company under conditions that often violate International Labor Organization core labor standards. Worker exploitation in supplier factories can damage our company’s reputation and lead to the loss of brand value.

Promotion of human rights is a cornerstone of foreign policy, says the US State Department. How can we inspire other countries about democracy and human rights when management tolerates intimidation of US workers? Harassment of workers who talk to unions, forced overtime and locking employees in stores are considered human rights violations by ILO in overseas supplier factories. We believe they are human rights violations when they occur in a US Wal-Mart as well.

These policies contribute to a broad public perception that management has not dealt with workers fairly. An August 2004 memo done for Wal-Mart by McKinsey & Co. said a national survey of 1,800 consumers concluded “sincere concerns exist that Wal-Mart is not treating its employees well, is too aggressive, and is hurting local communities.”

“Wal-Mart’s stock price has fallen 27 percent since 2000...a drop that many have attributed, in part, to investors’ anxiety about the company’s image,” notes The New York Times (Nov. 1, 2005).

Resolved: Shareholders request that directors amend the company’s Equality of Opportunity policy to bar intimidation of company employees exercising their right to freedom of association. The company should develop systems to prevent future violations of federal labor law from occurring and publish periodic reports to shareholders on its progress.