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A periodic fact sheet produced and distributed by Wal-Mart Stores, Inc.

## **Wal-Mart Requires Diversity in its Law Firms – Commitment to Participation Already Making an Impact –**

At Wal-Mart, we believe we're in the unique position to be not just a leader for change, but a driver of change. **Our commitment to diversity starts with our board of directors and extends throughout the organization.** Wal-Mart is a leading employer of Hispanics and African Americans. Sixty percent of Wal-Mart associates and approximately 40 percent of our managers are female.

We are committed to promoting minority and female involvement in all facets of our business, including our in-house legal department. Currently, 26 percent of the attorneys in our U.S. legal department are minorities and 42 percent are women. Half of the officers in the legal department are women and minorities. We have worked hard to ensure that minorities and women hold key leadership positions – placing them in line for promotions.

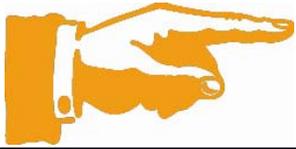
**We expect nothing less from the firms we chose to represent us.** And that's why we require greater minority and female representation among our outside counsel. **Holding our law firms accountable for meeting diversity goals is just one more way we are continuing our commitment to providing more and better opportunities for women and minorities.**

In June 2005, we wrote each of our top 100 law firms, as determined by invoices for legal services, informing them **Wal-Mart would end or limit our relationship if they failed to demonstrate a meaningful interest in the importance of diversity.** We then began to measure the firms' institutional diversity performance by checking the following:

- Number of minority and women attorneys/partners/associates in the firm
- Retention rates for minority and women lawyers
- Percentage of minorities and women promoted to partner
- Diversity promotion activities within the firm and legal profession
- Firm and attorney participation in diversity organizations
- Leadership positions held by women and minorities

Additionally, we asked each firm to submit a slate of candidates to be considered for appointment as the new relationship attorney at the firm. The relationship attorney is the person primarily responsible for overseeing Wal-Mart's legal matters within the firm. The slate had to include at least one female and one attorney of color.

As of September's end, our initiative had resulted in the changing of 40 relationship attorneys at our top 100 law **firms, representing a shift of \$60 million worth of legal work to be managed by women or minority attorneys.** Additionally, we have ended our relationship with two law firms for failing to meet our diversity expectations.



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In conjunction with this legal initiative, we held the first Wal-Mart Legal Diversity Conference in September 2005.

The Top 100 relationship partners were invited along with all of our in-house attorneys and representatives of various diverse legal organizations including:

- ABA Commission on Racial and Ethnic Diversity
- ABA Minority Counsel Program
- Arkansas Bar Commission on Diversity
- Hispanic National Bar Association
- Minority Corporate Counsel Association
- National Asian Pacific American Bar Association
- National Association of Women Lawyers
- National Bar Association
- National Bar Association Commercial Law Section
- National Native American Bar Association

Next year, we plan to ask all of our outside firms to participate in the diversity review, which we will continue to conduct annually. We will keep them abreast of potential ways to get involved by sending out a monthly Diversity Alert. We also will encourage our outside counsel to participate in minority bar events and other activities that foster participation by diverse groups. Additionally, Wal-Mart currently extends its intent to drive diversity in the legal profession by awarding scholarships to the University of Arkansas at Fayetteville and University of Missouri – Kansas City (UMKC) law schools and encouraging participation in law camps for high school students.

### **In the Headlines:**

**“Law firms heed Wal-Mart’s call for diversity action”** (*Palm Beach Daily Business Review: Heather Smith, 6 Oct., 2005*)

**“Wal-Mart is a tough customer on diversity”** (*The National Law Journal: Meredith Hobbs, 5 Sept., 2005*)

**“Firms have begun to respond to Wal-Mart’s urgent call for diversity action.”** (*American Lawyer: Heather Smith, 1 Oct., 2005*)

**“Wal-Mart Diversity Program Sweeps In 40 New Firm Relationship Partners”** (*Law.com: Meredith Hobbs, 25 Oct., 2005*)

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