

October 5, 2021

Board of Directors
c/o Corporate Secretary
Walmart Inc.
702 SW 8th Street
Bentonville, AR 72716

Dear Board of Directors,

We are writing you as a leading American corporation, as demonstrated by your inclusion in the Russell 3000 index, about racial diversity on corporate boards.

Our offices and the signatories listed below, which represent over \$3 trillion in assets under management and advisement, sent you a letter in October 2020 requesting that your firm consider publicly reporting the racial/ethnic and gender composition of the Board of Directors in your annual proxy statement for the 2021 filing.

Based on our analysis as of June 30, 2021, we observe that your firm provides *summary information* on the racial/ethnic and gender compensation of the Board of Directors in your proxy statement, but does not disclose the racial/ethnic and gender attributes of individual board directors. As such, the current level of disclosure does not provide sufficient detail to enable investors to clearly ascertain the level of racial/ethnic and gender diversity among board directors.

While we appreciate that your company has begun to track and disclose board diversity attributes, we ask you to take this one step further and consider disclosing the racial/ethnic and gender composition of all individual board directors in your 2022 filing. Looking to best practice, we encourage your firm to adopt a form of disclosure called the “Board Matrix,” which features a table describing the skills, gender, and race/ethnicity of individual directors on the board.

To view a model company disclosure in this regard, see page 21 of the [2021 Proxy Statement of Crown Castle International](#) (enclosed).

We are joined in our outreach by Ariel Investments, Boston Trust Walden, the Chicago City Treasurer, the Delaware State Treasurer, the Illinois State Board of Investment, Impax Asset Management, JLens Investor Network, JUST Capital, Legal & General Investment Management America, Marquette Associates, Meketa Investment Group, the Minnesota State Board of Investment, the New York City Comptroller, the Oregon State Treasurer, the Seattle City Employees' Retirement System, Segal Marco Advisors, SEIU Master Trust, SOC Investment Group, Trillium Asset Management, UAW Retiree Medical Benefits Trust, the Vermont Pension Investment Commission, the Vermont State Treasurer, Wespeth Benefits and Investments, and the Wisconsin State Treasurer.

Many of undersigned engage companies and have similar voting policies reflecting their recognition that board diversity – inclusive of gender, race and ethnicity – correlates with long-term outperformance and is an indicator of good governance.¹

Despite broad consensus among academics and financial analysts that diversity enhances performance, there remains a paucity of data on racial/ethnic diversity at the board level. As such, we share the goal that leading American companies voluntarily disclose the racial/ethnic composition of their individual board directors. We believe this approach is superior to data that rely on assumptions of the racial composition of corporate boards. The lack of data on racial/ethnic composition creates unnecessary barriers to investment analysis and academic study.

Furthermore, U.S. regulation and legislation to accelerate progress on board diversity is on the rise. In August 2021, the Securities and Exchange Commission approved Nasdaq’s proposed board diversity rule requiring listed companies to meet diversity thresholds or explain their failure to do so, as well as to disclose diversity statistics. California and Washington have passed legislation mandating minimum board diversity thresholds and others may follow including Hawaii, Illinois, Massachusetts, Michigan, and New Jersey. Federal legislation has been introduced to require disclosure of the gender, racial, and ethnic composition of boards of directors and executive officers (H.R. 1277), and numerous states are enacting or proposing legislation and resolutions mandating similar disclosure.

Our offices lead, respectively, the [Midwest Investors Diversity Initiative](#) and the [Northeast Investors Diversity Initiative](#), both of which advocate for gender, racial and ethnic board diversity at public companies headquartered in these regions. We are also members of [The Thirty Percent Coalition](#), a national organization that, in addition to advocating for board diversity, has called on companies to publicly disclose their board composition, inclusive of gender, race and ethnicity.

Many of the undersigned either have or are examining policies to vote against nominating committees with no reported racial/ethnic diversity in their proxy statements and expanding more direct shareholder engagement. We find voluntary corporate reporting in the proxy statement the most reliable data source.

Thank you for your time and attention to this request. Please direct any inquiries to DiversityDisclosureInitiative@ct.gov.

Sincerely,



Michael W. Frerichs
Chair, Diversity Disclosure Initiative
Illinois State Treasurer



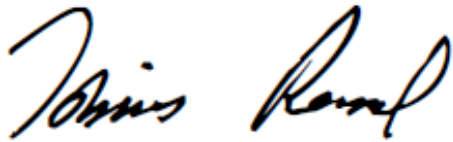
Shawn T. Wooden
Co-Chair, Diversity Disclosure Initiative
Connecticut State Treasurer

¹ “Diversity Wins,” McKinsey & Company, 2020, available at:

www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Diversity%20and%20Inclusion/Diversity%20wins%20How%20inclusion%20matters/Diversity-wins-How-inclusion-matters-vF.pdf;

“Diversity Matters,” McKinsey & Company, 2015, available at: www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters;

David Rock and Heidi Grant, “Why Diverse Teams are Smarter,” Harvard Business Review, Nov. 4, 2016, available at: <https://hbr.org/2016/11/why-diverse-teams-are-smarter>.



Tobias Read
Oregon State Treasurer



Scott M. Stringer
New York City Comptroller



Elizabeth A. Pearce
Vermont State Treasurer



Thomas Golonka
Vermont Pension Investment Commission



Sarah A. Godlewski
Wisconsin State Treasurer



Colleen C. Davis
Delaware State Treasurer



Mansco Perry III
Executive Director
Minnesota State Board of Investment



Johara Farhadieh
Executive Director/Chief Investment Officer
Illinois State Board of Investment



Jeff Davis
Executive Director
Seattle City Employees' Retirement System



Melissa Conyears-Ervin
Chicago City Treasurer



David H. Zellner
Chief Investment Officer
Wespath Benefits and Investments



Cambria Allen-Ratzlaff
Director, Corporate Governance
UAW Retiree Medical Benefits Trust

Dieter Waizenegger
Executive Director
SOC Investment Group

Arun Ivatury
SEIU Master Trust

Aaron Meder
Chief Executive Officer
LGIM America

John W. Rogers, Jr.
Chairman, Co-CEO & Chief Investment Officer
Ariel Investments

Amy D. Augustine
Director, ESG Investing
Boston Trust Walden

Joe Keefe
President
Impax Asset Management

Matthew Patsky, CFA
Chief Executive Officer
Trillium Asset Management

Dani Nurick
Director of Advocacy
JLens Network

John DeMairo
President & CEO
Segal Marco Advisors

Steve McCourt
Managing Principal
Co-Chief Executive Officer
Meketa Investment Group

Brian Wrubel
President & CEO
Marquette Associates

Martin Whittaker Ph.D.
Chief Executive Officer
JUST Capital

EXAMPLE DISCLOSURE OF RACIAL AND GENDER BOARD COMPOSITION

From the [2021 Proxy Statement](#) of Crown Castle International Corp.

V. INFORMATION ABOUT THE BOARD OF DIRECTORS

Board Matrix

The following matrix provides information regarding the members of our Board, including certain types of knowledge, skills, experiences and attributes possessed by one or more of our directors which our Board believes are relevant to our business, industry or real estate investment trust ("REIT") structure. The matrix does not encompass all of the knowledge, skills, experiences or attributes of our directors, and the fact that a particular knowledge, skill, experience or attribute is not listed does not mean that a director does not possess it. In addition, the absence of a particular knowledge, skill, experience or attribute with respect to any of our directors does not mean the director in question is unable to contribute to the decision-making process in that area. The type and degree of knowledge, skill and experience listed below may vary among the members of the Board.

	Bartolo	Brown	Christy	Fitzgerald	Goldsmith	Hogan	Jones	Martin	Melone	Moreland	Stephens	Thomson
Knowledge, Skills and Experience												
Public Company Board Experience	•	•	•	•	•	•	•	•	•	•		•
Financial	•	•	•			•	•	•	•	•	•	•
Risk Management	•	•	•			•	•	•	•	•		•
Accounting	•	•				•	•	•		•		
Corporate Governance/Ethics			•	•	•		•	•	•			•
Legal/Regulatory				•				•				
HR/Compensation		•	•			•	•	•	•	•		
Executive Experience	•	•	•		•	•	•	•	•	•	•	•
Operations		•	•			•	•	•	•	•	•	•
Strategic Planning/Oversight	•	•	•	•	•	•	•	•	•	•	•	•
Technology		•	•	•	•			•	•	•		
Mergers and Acquisitions	•	•	•	•		•	•	•		•	•	
Wireless/Telecom/REIT Industry	•	•	•	•	•	•	•	•	•	•	•	
Academia/Education					•		•	•				
Demographics												
Race/Ethnicity												
African American				•			•				•	•
Asian/Pacific Islander												
White/Caucasian	•	•	•		•	•		•	•	•		
Hispanic/Latino												
Native American												
Gender												
Male	•	•		•		•		•	•	•	•	•
Female			•		•		•					
Board Tenure												
Years	7	5	14	19	3	20	<1	25	6	15	<1	<1