



August 27, 2009

Gail Campbell
Wal-Mart/Sam's Club
702 SW 8th Street
Bentonville, Arkansas 72716-8611

Dear Gail,

We are writing to follow up on the concerns we raised with you last year regarding Wal-Mart's "Love, Earth" brand jewelry. We believe that the branding and marketing of Love, Earth sends a public relations message that this line of jewelry is clean, green and responsible—despite serious environmental and social problems at the mines from which Love, Earth's gold is being sourced.

The "Golden Rules," signed by Wal-Mart and over 50 other leading jewelry retailers, establish a set of social, human rights and environmental criteria for responsible mining. A cornerstone of the program is a requirement for independent, third party verification. To the best of our knowledge, Wal-Mart has not applied the "Golden Rules" criteria or verification requirements to the mines from which Love, Earth is sourcing its gold. While we commend Wal-Mart for achieving traceability in its product line – an important first step – we are troubled that the remaining principles of responsible mining have not been met.

We are concerned about the significant environmental and social issues at Rio Tinto's Bingham Canyon mine and Newmont's Nevada operations, from which Love, Earth is sourcing its gold. Bingham Canyon is a proposed federal Superfund site, with extensive water pollution problems due to acid mine drainage. Furthermore, it has failed to provide adequate financial guarantees to ensure comprehensive clean-up and closure. Newmont's Nevada mines are a leading source of airborne mercury, with long-term implications for public health, fish and water quality, and a number of these mines also pollute with acid mine drainage. The attached factsheets give more detail to specific concerns at these mines. While this is not a comprehensive list of the issues at these mining operations, it does provide an indication of the complexity of the situation on the ground.

As we have indicated in the past, we remain concerned about inadequacies in Wal-Mart's Love, Earth sourcing policies. In signing the Golden Rules, Wal-Mart has expressly committed to seeking gold and precious metals from mining operations that properly manage sulfuric acid drainage ensuring soil, groundwater and wildlife are not contaminated, and from operations that provide appropriate financial guarantees for clean-up and closure (see attached copy of Wal-Mart's sign-on letter to the Golden Rules). Love, Earth's sourcing policies and practices fall short of Wal-Mart's praiseworthy commitments to the Golden Rules.

We urge Wal-Mart to fulfill its commitments to the Golden Rules in the following ways:

1. Adopt and implement policies that require that suppliers meet the "Golden Rules" social, human rights and environmental criteria for responsible mining.
2. Require independent, third party verification of compliance with these criteria.
3. Conduct consultation with affected communities and key NGO organizations regarding Wal-Mart's mining criteria as well as environmental and social performance of supplier mining operations.
4. Review the marketing and branding materials for Love, Earth and edit/clarify any misleading statements.

We recognize that these changes will not happen overnight and we remain committed to working with Wal-Mart on these important steps. We recommend that we schedule a meeting with Wal-Mart, EARTHWORKS and partner organizations on the ground, in order to discuss these issues in more depth. We look forward to hearing from you.

Thank you.

Sincerely,



Bonnie Gestring
EARTHWORKS



Payal Sampat
EARTHWORKS

Enclosures

1. Bingham Canyon Mine Fact Sheet
2. Newmont Nevada Mines Fact Sheet
3. Wal-Mart Letter