

**EARTHWORKS * Great Basin Resource Watch
Western Shoshone Defense Project**

S. Robson Walton
Chairman of the Board of Directors
Walmart/Sam's Club
702 SW 8th Street
Bentonville, Arkansas 72716-8611
via email

January 12, 2011

Dear Mr. Walton:

We are writing to follow up with you once again regarding Walmart's "Love, Earth" jewelry line. We previously contacted you in 2008 and 2009 with concerns about the standards being used and environmental and social issues at the mines from which gold is being sourced for this jewelry line.

The January 6, 2011 article "Walmart's "Love, Earth" Jewelry Line Doesn't Live Up to Green Promises" by Jean Friedman-Rudovsky in *Miami New Times* raises additional serious issues regarding the labor practices at Aurafin's manufacturing facilities in Bolivia. From mine to manufacturer, Love, Earth's supply chain is riddled with environmental and human rights problems that are not compatible with an eco-friendly label. We urge Walmart to demand that its suppliers meet the Golden Rules criteria to which Walmart is a signatory, and that this compliance be independently verified as such.

The Golden Rules, signed by Walmart and 70 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, Walmart has not applied the Golden Rules criteria or verification requirements to the mines from which Love, Earth is sourcing its gold. While we have previously commended Walmart for achieving traceability in its product line, we remain very 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 Walmart's Love, Earth sourcing policies which fall short of your company's stated commitments to the Golden Rules.

We call on 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. Drop the Love, Earth label until the company is able to demonstrate that its supply chain complies with the above criteria from mine to market.

We urge Walmart to take immediate steps to ensure that Love, Earth lives up to its name. Once again, we request a meeting between Walmart and the signatories of this letter in order to discuss these issues in more depth. We look forward to hearing from you. Thank you.

Sincerely,

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