



**BOSTON COMMON**  
ASSET MANAGEMENT, LLC

March 23, 2006

Ms. Dee Breazeale  
VP/DMM Jewelry  
Sam's Club  
608 SW 8<sup>th</sup> Street  
Bentonville, AR 72716-0745

Dear Ms. Breazeale:

Boston Common Asset Management, LLC (Boston Common) is an investment manager that serves investors concerned about the social and environmental impact, as well as the financial return, of their investments. We have been involved in shareholder dialogue with Wal-Mart in the past regarding violence in video games and appreciated the pro-active stance that Wal-Mart has taken to address this issue.

We are writing to you as a shareholder to request that Wal-Mart Stores address the concerns of Boston Common Asset Management over the sourcing of gems mined in Burma (Myanmar) with the view to preventing the sales of gems mined in Burma in Wal-Mart Stores and Sam's Club.

Selling gems mined in Burma poses considerable risk to Wal-Mart's business and reputation. Trade in Burmese gems provides significant revenue for Burma's ruling military junta. Gem mining in Burma is also linked to the spread of HIV/AIDS and the laundering of money from drug trafficking. We request that Wal-Mart Stores address this risk by prohibiting its suppliers from selling jewelry to Wal-Mart or Sam's Club that contains gems mined in Burma.

The export of jewels—specifically rubies and jade—is a significant source of revenue for Burma's ruling military regime. Burma's democracy movement, led by Nobel Peace Prize Laureate Aung San Suu Kyi, has called on international corporations to cease business with Burma until the military regime agrees to a transition to freedom and democracy in that country. For this reason, the United States has twice enacted economic sanctions (in 1997 and 2003) against Burma's military junta.

The brutal and unforgiving conditions in Burma's mines have helped fuel an HIV/AIDS epidemic in that country. Dr. Chris Beyrer, head of the prestigious Johns Hopkins University Fogarty AIDS International Training & Research Program, has highlighted the direct relationship between gem mining and HIV/AIDS in Burma. Dr. Beyrer has stated that: "Gem mining, overseen by Burma's regime and its cronies, has created a cauldron of HIV/AIDS in Burma.

The two are completely intertwined, and that is why I would never buy a gem from Burma."

Additionally, a number of elements of Burma's mining industry are controlled by known drug traffickers. On January 24<sup>th</sup> 2005, the Department of Justice indicted eight members of the United Wa State Army, which it called, one of the "largest heroin producing and trafficking organizations in the world." The indictment included the identification of several businesses used to launder narcotics money from Burma, including Hong Pang Gems and Jewelry Ltd.

For nearly ten years, Wal-Mart Stores has had a policy of not selling any apparel made in Burma. Since 1992, dozens of other companies have also refused to sell apparel made in Burma, including Kenneth Cole, Jones New York, Tommy Hilfiger, Target and Federated Department Stores. When Macy's cut ties to Burma, it cited rampant corruption, adding it "was unwilling to make payments that could violate the US Foreign Corrupt Practices Act, which bars US companies from making unofficial payments to foreign officials".

On March 5<sup>th</sup> 2005, Tiffany's pledged to not sell rubies from Burma. Tiffany's Chairman and CEO Michael Kowalski said, "We support democratic reforms and an end to human rights abuses in that country. We believe our customers would agree with that position." Tiffany's subsequently confirmed that the ban extends to products mined in Burma, including jadeite and spinel.

Boston Common Asset Management believes that it would be the right business and moral decision by Wal-Mart Stores and Sam's Club to end its sales of any gems mined in Burma. As a shareholder in Wal-Mart Stores, we sincerely hope that you make this decision.

I will contact you shortly to discuss this issue further. You can reach me at (617) 720-5557 or at [lcompere@bostoncommonasset.com](mailto:lcompere@bostoncommonasset.com)

Sincerely,

Lauren Compere  
Chief Administrative Officer

Cc: Mr. Thomas D. Hyde, Executive Vice President and Corporate Secretary, Wal-Mart Stores, Inc.