

Sustainability Report – Wal-Mart Stores, Inc.

Whereas, Wal-Mart has recently pledged to report to shareholders in 2007 on its progress towards an initial set of environment-related goals (<http://walmartstores.com/GlobalWMStoresWeb/navigate.do?catg=345>). However, the company has still not committed to developing a public sustainability report that addresses its strategies concerning economic, social, and environmental issues and developments.

Concerned investors believe this information is material in making well-informed investment decisions as it speaks to the vision and stewardship of management and can have significant impacts on our company's reputation and on shareholder value.

According to Dow Jones, "Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental, and social developments. Corporate sustainability leaders achieve long-term shareholder value by gearing their strategies and management to harness the market's potential for sustainability products and services while at the same time successfully reducing and avoiding sustainability costs and risks." (<http://www.sustainability-index.com/html/sustainability/corpsustainability.html>)

We believe initiatives to improve energy savings and waste reduction are important but insufficient. As Procter and Gamble states in its 2005 Sustainability Report, "Great companies... have not been built on the elimination of non-value, but on the creation of new value for consumers and for society." Wal-Mart's successful introduction of products made from organic cotton is a good example, but by itself remains inadequate.

Sustainability includes more than the environment, however. Social issues, such as worker rights, human rights, and supply chain compliance, including independent monitoring and a transparent verification process; economic issues, such as Wal-Mart's economic impact on communities and regions; payment of a sustainable living wage, and corporate governance must also be addressed.

A September, 2005 statement by research analysts at 23 investment firms representing over \$435 billion in assets under management asserts, "we find compelling the large and growing body of evidence linking companies' strong performance addressing social and environmental issues to strong performance in creating long-term shareholder value." (http://www.bsr.org/Meta/200510_Corp-Sustainability-Reporting.pdf)

As one of the largest companies in the world (Fortune Global 500), we believe Wal-Mart should be the leader in responsible policies concerning its workforce, suppliers, the environment, and the communities in which it does business. Proactively addressing these issues can improve productivity, reduce waste, enhance Wal-Mart's image, and identify new business opportunities.

Resolved: shareholders request the Board of Directors to prepare at reasonable expense and omitting proprietary information a sustainability report. A summary of the report should be provided to shareholders by December 2006.

Supporting Statement

We recommend that Wal-Mart use the Global Reporting Initiative's Sustainability Reporting Guidelines ("The Guidelines") to prepare the report. The Global Reporting Initiative (www.globalreporting.org) is an international organization with representatives from the business, environmental, human rights, and labor communities. The Guidelines provide guidance on report content, including performance on direct economic impacts, the environment, labor practices and work conditions, human rights, society, and product responsibility. The Guidelines provide a flexible reporting system that allows the omission of content that is not relevant to company operations. Over 700 companies use or consult the Guidelines for sustainability reporting.