



# Benedictine Sisters

St. Scholastica Monastery  
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April 12, 2007

Mr. Lee Scott  
Chief Executive Officer  
Wal-Mart Stores, Inc.  
702 SW 8<sup>th</sup> Street  
Bentonville, Arkansas 72716-0215

Dear Mr. Lee Scott,

The *Wall Street Journal* story, April 4, 2007, "Wal-Mart's 'Threat Research' Operation" article contained the following:

**"Wal-Mart also directed its surveillance operations at critical shareholders. According to a January 2007 memo reviewed by The Wall Street Journal, security units were asked to do "some preliminary background work on the potential threat assessment of those submitting proposals to its June shareholder meeting, particularly those whose resolutions the company was trying to block. The list included proposals from a Boerne, Texas religious group....."**

We are deeply disappointed, appalled and shocked that Wal-Mart would engage in this type of activity with any shareholders who are owners of the company. We, the religious groups which are part of the Interfaith Center on Corporate Responsibility (ICCR) have been raising questions and filing resolutions with Wal-Mart since 1990. The Benedictine Sisters of Boerne, Texas, have engaged the company through stockholder resolutions, dialogues and in-person visits. Sr. Susan Mika has been our representative in corporate responsibility work for 25 years. She and ICCR members have engaged the company on a variety of issues, including a conference call with Rob Walton himself on diversity on the board of directors. She has been to numerous meetings with Wal-Mart, both in-person in New York and Bentonville and on conference calls for years.

This type of activity must cease. We are owners of the company, raising critically important issues. It is embarrassing to be asked by reporters if we pose a security threat to Wal-Mart. We will continue to raise the fundamental, hard, critical questions which need to be answered. These actions are within our rights as shareholders. We raise them in a public forum.

You have asked us, "What can we do to make this right?"

We understand from Wal-Mart's Legal Department that on the Wal-Mart memo mentioned in the *Wall Street Journal*, we are listed under item #4. This was a reference to the 2007 resolution that the Benedictines Sisters of Boerne filed. The subject of the resolution is the pay disparity between the CEO and the worker making \$9.68 per hour. In 2006, the ratio was a 600 to 1. We believe that there are over a dozen co-filers of this resolution with the Benedictine Sisters of Boerne, Texas and the Sisters of the Holy Names of Jesus and Mary, U.S.-Ontario Province. Wal-Mart staff mentioned that this memo was sent to seven people.

Therefore, we respectfully request and insist that you produce to us all of your files (electronic and otherwise) containing any reference to the Benedictine Sisters of Boerne, Texas, including any files or data controlled by your agents. This includes electronic data, tape and video recordings, memorandum, correspondence and communications of any type or nature whatsoever, and any and all documents with any reference to the Sisters individually or as a group. We need this data in order to make an assessment of the extent of the problem. What has been inadvertently revealed so far may just be the tip of the iceberg.

As you know, the New York City Comptroller has asked the U.S. Attorney General and the Securities and Exchange Commission to investigate what it called "ill-considered and possibly illegal surveillance operations" by Wal-Mart. Although we have not made a similar request, we will continue to monitor actions taken by other shareholders at this time.

We want to stress that **the primary focus** needs to be on the serious core questions which the members of ICCR are asking the company:

- Health benefits for employees
- Sustainable wages for employees and pay disparity between the CEO and workers
- Improved wages and working conditions in factories producing for Wal-Mart
- Diversity and EEO issues
- Sustainability Performance and Reporting

These issues will not be going away. Our hope is to resolve the surveillance question, so that the focus of our time and energies will be on these critical issues which we have been raising for years. We re-affirm our commitment to work with Wal-Mart in good faith to create a better company for all stakeholders.

We wish to repeat the closing words of the Interfaith Center on Corporate Responsibility's press statement, dated April 9, 2007:

*"We have believed our relationship with Wal-Mart to be one of mutual respect in spite of our serious disagreements on health care policy, human rights, labor standards, and environmental stewardship. We pray we have not been mistaken."*

*We ask that Wal-Mart formally apologize to investors and to others whose expectation of privacy has been breached. More importantly, we ask CEO Lee Scott to shift shareowner resources away from these public relations activities and instead focus*

*on the core issues ICCR and other concerned investors have been bringing to Wal-Mart for almost two decades: the human dignity inherent in each supply chain worker, in-store employee, and customer of Wal-Mart and Wal-Mart's continuing obligation to them and to its shareowners.”*

We ask that Wal-Mart formally apologize to the Benedictine Sisters of Boerne, Texas and that we get back to the discussion of the core issues.

We continue in prayer for all involved in this situation.

Sincerely,

**Sr. Bernadine Reyes, OSB**  
Prioress

**Sr. Susan Mika, OSB**  
Director of Corporate Responsibility