



May 23, 2005

RE: WAL-MART ANNUAL MEETING, JUNE 3, 2005

We write urging you to vote **FOR PROPOSAL 5**, a request that the Board of Directors prepare at reasonable expense a sustainability report. Sustainability is a business model that instructs companies to take into consideration the needs and interests of various stakeholders while concurrently sustaining their business, communities, and the environment for future generations. Sustainability also entails measuring and reporting corporate performance against economic, social and environmental criteria.

We are concerned about Wal-Mart's lack of coherent transparency and openness in public reporting on social, economic and environmental issues:

- Wal-Mart management writes in the proxy statement that “it will prepare, in the future, a report similar to the one the proponent requests, but the Company prefers to do so only in the form and at the time that is in the best interests of the Company and its Associates and the communities and customers we serve.” As owners of Wal-Mart, we believe that the interests of investors should also be given due consideration and a sustainability report developed sooner rather than later.
- Negative media coverage; class action lawsuits; fines by government agencies; and coordinated protests in both urban and rural communities indicate the persistent and growing problem with Wal-Mart's public image. We interpret Wal-Mart's recent full-page ads in newspapers to be a public relations campaign and not responsive to investor's request for a comprehensive, transparent, proactive report on how the company seeks to address, environmental, social and governance issues in ways other than the payment of fines. For example:
 1. Wal-Mart agreed to pay \$3.1 million in fines in 2004 to settle allegations that the company was in violation of the Clean Water Act for storm water violations at Wal-Mart store construction sites at 24 sites in nine states;
 2. A class-action sex-discrimination lawsuit is pending that could include as many as 1.6 million current and former female Wal-Mart employees
 3. In March 2005, Wal-Mart agreed to pay \$11 million to settle accusations from a federal investigation that found hundreds of illegal immigrant contract workers cleaning Wal-Mart stores
 4. Wal-Mart global suppliers have been alleged to violate the company's Code of Conduct pertaining to payment of wages, benefits and overtime pay, lack of protective gear, and intolerance to unions and union members.
- We are concerned that persistent failure of Wal-Mart to address social, ethical and environmental challenges in a substantive manner will adversely impact investment returns. We believe that by focusing on the sustainability model, and managing corporate responsibility Wal-Mart will reduce the risk of future investor losses.

Investors expect sufficient and accurate disclosure of information to enable an evaluation of the risk posed to the company.

- In its annual report and website, Wal-Mart fails to acknowledge the real challenges it faces. Wal-Mart's Statement in Opposition to this proposal stipulates that the company is “committed to protecting and preserving natural resources.” However, the company does not disclose a comprehensive report that documents Wal-Mart's environmental performance in terms of emissions, and natural resource or energy use.

- A similar resolution filed in 2004 by the General Board of Pension and other investors received 14% of shareholder support, which we interpret to mean that a number of investors believe this resolution has merit.

- Institutional Shareholder Services (ISS) is recommending that their clients vote for the 2005 sustainability report resolution. “ISS also notes that sustainability reporting is becoming the norm at many large companies and that Wal-Mart has continued to face concerns related to certain employment and labor issues in its operations. As such we believe that more comprehensive reporting on sustainability issues will benefit Wal-Mart, as this will help the company to better assess the financial risks that such issues pose to its business and the company’s future growth.”

In conclusion, it is in Wal-Mart’s business interest to be responsive to its concerned investors and prepare the requested report.

The General Board believes that managing corporate social responsibility and ethical practices impact shareholder value, and feels strongly that this information which impacts our company’s financial performance be available to stakeholders, investors and customers.

Sincerely,



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