



Wal-Mart and Sam's Club Jewelry Sustainable Value Network Love, Earth® Project Frequently Asked Questions

1 What is Love, Earth?

The Love, Earth® pilot project is a collaboration of companies in the jewelry supply chain. These companies believe that business can make a positive contribution to sustainable development and are willing to demonstrate transparency in their individual supply chains. This pilot project is our first step in determining the feasibility of building a sustainable and transparent jewelry supply chain.

We chose to brand this jewelry as Love, Earth to distinguish it to our customers and promote the responsible operating practices and transparency behind the product line. This brand is also proof of the collaborative abilities between Wal-Mart and its suppliers to produce and deliver affordable, quality jewelry made from gold and silver that is traceable and sourced from operations that are managed to Wal-Mart's standards and criteria. In the future, we plan to include diamond jewelry and recycled gold and silver in the Love, Earth collection.

2 Why Mine to Market?

The jewelry supply chain has many stages and involves many different industry sectors – mining, refining, polishing, setting, manufacturing and retailing. To achieve our long term goal of assurance that all gold, silver and diamonds used in the jewelry we sell is sourced from mines and produced by manufacturers that meet Wal-Mart's sustainability standards and criteria, we need to explore ways to link the different companies in the supply chain to one another, and demonstrate our ability to trace the materials used in jewelry production from the mine to the market.

3 How will Wal-Mart trace the precious metals used in Love, Earth jewelry?

To trace the raw materials used in the Love, Earth™ line, we will use String, an online traceability service developed by Historic Futures. Each organization in the chain is using String to record information about the jewelry product. The end result is a fully transparent view that shows the chain of custody for each piece of jewelry, from mine to market.

4 What is Wal-Mart's approach to sustainability?

At Wal-Mart, we believe that being a profitable business and a good steward of the environment are goals that can work hand-in-hand. In 2005, we set out on a journey to become a more sustainable company. In order to do this we set three goals:

1. To be supplied 100% by renewable energy;
2. To create zero waste; and
3. To sell products that sustain our resources and the environment.

Together, these goals are helping us drive innovation, reduce waste and increase efficiency into all aspects of our business. In doing this, we are saving money—savings that can be passed along to our customers.

As we continue along our journey to become a more sustainable company, we are also offering our customers a growing selection of environmentally friendly products. And it's our goal to offer those products at a competitive price. We don't think that our customers should have to choose between a sustainable product and an affordable product. By putting the decision in the hands of our customers, we are empowering them to bring sustainability into their lives, homes and communities.

5 How is Wal-Mart's commitment to sustainability being applied to selling jewelry?

Wal-Mart is committed to giving our customers product choices that sustain our resources and environment. Recognizing the potential environmental and community impacts of activities involved with jewelry production—mining, refining, polishing and cutting, and manufacturing—and being the largest retailer of jewelry in the world, we determined there was an opportunity to promote more sustainable practices throughout the jewelry supply chain. To help us do that, we established the Jewelry Sustainable Value Network (JSVN). This network aims to provide Wal-Mart and Sam's Club customers with affordable, quality jewelry items that have a reduced impact on human health and the environment.

The Jewelry Network is working on several initiatives that are helping to reduce the amount of waste generated by and increasing the amount of recyclable materials in jewelry packaging; optimizing its logistical arrangements in the transport of products to our stores and Clubs; and launching a pilot project to source and trace gold and silver from mines of known origin.

6 What standards will Wal-Mart promote to encourage sustainability throughout its supply chain?

Wal-Mart has established an Ethical Standards Program which includes Standards for Suppliers that pertain to matters such as compensation, underage labor, environment, and health and safety. The Ethical Standards Program was established

and exists to verify suppliers' compliance with the standards, to strengthen the implementation of positive labor and environmental practices in factories producing merchandise for sale by Wal-Mart, and to bring opportunities for a better life in the countries where merchandise for Wal-Mart is sourced. Our program vision is "sourcing ethically through a socially responsible program." Wal-Mart's standards can be found on our website at www.walmartstores.com/ethicalstandards.

Wal-mart's Jewelry Sustainability Value Network has taken the initiative to craft a robust set of environmental and social sourcing criteria for mining and metals in jewelry that we will encourage all of our suppliers to follow. The criteria have been developed in consultation with Network members, which include mining companies, and jewelry manufacturers, Wal-Mart's sustainability experts, and NGOs. The criteria address compliance with laws and regulations, the management of environmental and social issues, and a contribution to the sustainable development of the communities touched by mining operations. The detailed criteria can be found on www.loveearthinfo.com.

As improved standards emerge (such as the Initiative for Responsible Mining Assurance, IRMA or the Council for Responsible Jewelry Practices, CRJP) and are adopted by experts, NGOs and the jewelry industry, we will consider incorporating them into our sustainability standards.

7 What does Wal-Mart mean by responsibly produced jewelry?

Wal-Mart's objective is to have a long-term, fundamental and positive influence on the jewelry supply chain by selling jewelry that is made from precious metals and gems that are produced following Wal-Mart's supplier standards and the Jewelry Sustainability Value Networks' environmental and social sourcing criteria. To have the greatest impact, we believe that partnering with leading companies in the jewelry industry to demonstrate and promote good practices at their operations will have a positive effect and encourage other suppliers to make similar changes.

The Love, Earth™ pilot project is our first effort in bringing jewelry companies and their suppliers together to produce a piece of jewelry created with materials from eco-responsible, community friendly sources. All Love, Earth items will be produced with 100 percent traceable gold and silver which are mined and manufactured to our standards and criteria.

The Love, Earth jewelry line is just our first step in providing more jewelry options to our customers. Our long term goal is to be assured that all gold, silver and diamonds used in all the jewelry we sell is sourced from mines and produced by manufacturers that meet Wal-Mart's sustainability standards and criteria. We also want to incorporate recycled materials used in the jewelry by working with mines, refineries and manufacturers.

8 Can I trace the origin of the metals and stones from my piece of Love, Earth jewelry?

To trace your jewelry, simply launch a web-browser on your computer (e.g. MS Internet Explorer), go to www.loveearthinfo.com, and follow the instructions on the Web site. You will find your batch number on a tag attached to your piece of jewelry.

9 Where did the gold and silver come from to make my Love, Earth jewelry?

Wal-Mart works with mining companies that are at the forefront of sustainable business practices and that are known as leaders in their field for quality materials. For this project, we collaborated with companies that have demonstrated systems and practices for identifying and managing their environmental and social impacts and strive for continuous improvement in those areas.

The gold and silver were mined from Rio Tinto's Kennecott Utah Copper mine and gold was also mined from a combination of Newmont's mines in Nevada. Subsequent mining suppliers will include Rio Tinto Diamonds.