

## Walmart Takes the Lead on Environmental Sustainability

At Walmart we believe being an efficient and profitable business goes hand-in-hand with being a good steward of the environment. With more than 100,000 suppliers and more than 2 million associates working in 8,400 retail locations worldwide, we have the ability to reach and influence people around the world as we serve our customers and members more than 200 million times each week. Through an approach we call "Sustainability 360," we are taking a holistic view of our business to develop goals that reduce our own environmental footprint and engage our suppliers, associates and customers in our sustainability efforts to achieve even greater results.

### Sustainability 360:

Sustainability 360 takes into account our supply chain, the products we sell, our associates, and the communities where we operate and source. We are working with our suppliers to make their products more sustainable, but we are also helping them become more sustainable businesses. Sustainability 360 is an effort to put more energy-efficient and environmentally-preferable products in the hands of our customers at a price they can afford. Overall, Sustainability 360 is about doing better for our customers, our associates, our suppliers and our environment—and working together.

### Our Goals:

We established three sustainability goals that guide our efforts in becoming a more sustainable company. We are committed to:

- Being supplied 100 percent by renewable energy,
- Creating zero waste, and
- Selling products that sustain people and resources

### Operations:

- In an effort to reach our goal to design and open a viable store prototype that is up to 25 to 30 percent more efficient and produces up to 30 percent fewer greenhouse gas (GHG) emissions by 2009 using a 2005 baseline, we started a series of high-efficiency (HE) pilot stores.
  - We have opened three HE.1 stores, which are designed to use up to 20 percent less energy than a typical supercenter.
  - In early 2008, we opened four HE.2 stores that are designed to use up to 25 percent less energy than a typical supercenter.
  - In March 2008, we opened our most efficient HE store to date – the HE.5 store in Las Vegas. This select Western climate specific store is designed to use up to 45 percent less energy than a typical supercenter.
- In April 2009, Walmart announced it would nearly double its solar power program in California by adding solar arrays on 10 to 20 additional facilities in the next 18 months. We currently have 20 complete installations in California and Hawaii as part of our 2007 solar pilot program to provide renewable energy for facilities in California and Hawaii.
  - These systems produced more than 7 million kWh of clean, renewable energy in 2008.
  - Many of these systems were completed during the last year, but we expect a full year's production from all of these systems to reach 16 million to 18 million kWh, and could reduce GHG emissions by 6,000 to 8,000 metric tons per year.
- In April, 2009 we began purchasing 226 million kilowatt hours of wind energy annually as part of a four-year wind power purchase agreement with Duke Energy for our stores in Texas.
  - Approximately 350 of our stores and facilities in Texas are using wind-generated electricity.
- In 2008, we achieved our goal to make our U.S. fleet 25 percent more efficient. In fact, we reached a 38 percent increase in efficiency by working with our partners to install fuel-saving technologies on our trucks, load our trucks and cases more efficiently, improve our routing and eliminate the number of empty miles our trucks traveled.

- In early 2009, we introduced four different types of alternatively fueled trucks into our fleet to determine if they will help reduce our environmental footprint, are viable for our business and provide a return on investment. Currently, we are testing one full-propulsion hybrid truck, five diesel-electric hybrid assist trucks, 15 trucks that run on waste grease collected from our stores and five liquid natural gas trucks.
- In the U.S., Walmart committed to eliminating landfill waste at U.S. stores and Sam's Club facilities by 2025. Between February 2008 and January 2009, we redirected more than 57 percent of the waste generated by our stores and Sam's Club facilities, exceeding the national recycling rate. This success was in part due to the success of our super sandwich baling process. This process allows us to compress 32 recyclable items between layers of cardboard creating bales that are sent to certified recyclers. So far, we have diverted 182 million pounds of loose plastic, 18.9 million pounds of plastic hangers, 12.4 million pounds of office paper and 1.3 million pounds of aluminum from going to landfills. We have also sent 25 billion pounds of cardboard to paper mills to be processed into new products.

## Customers:

We believe Walmart customers should not have to choose between a sustainable product and a product they can afford.

- In July 2009, Walmart announced it would lead in the creation of a Sustainable Product Index. As part of this commitment, Walmart helped establish the Sustainability Consortium, which brings together retailers, manufacturers, universities and a number of government and non-government organizations (NGO's) to develop metrics for measuring the environmental impacts of products across their life cycle. The Index will be designed to provide simple, easy to understand information to consumers about the environmental impact of the products they buy.
- In 2008, we committed to reduce the weight of our global plastic shopping bag waste at our stores around the world by an average of 33 percent per store by 2013 using a 2007 baseline. We will reduce the number of shopping bags we give away globally, increase the availability and affordability of reusable bags and continue to offer plastic bag recycling in our stores. This commitment could eliminate approximately 135 million pounds of plastic shopping bag waste globally, avoid the production of approximately 290,000 metric tons of GHG and prevent consuming the equivalent of 678,000 barrels of oil every year
- In May 2008, we reached our goal to sell only concentrated liquid laundry detergent in all of our U.S. stores and Sam's Club locations. We expect that by 2011 this change will save more than 125 million pounds of cardboard, 80 million pounds of plastic resin and 430 million gallons of water. These changes help save money on diesel needed to transport the improved bottle.
- We are working with suppliers to make the most energy intensive products in our stores, anywhere in the world, 25 percent more energy efficient by January 2011 using a 2008 baseline. Products falling in this category include personal computers, video game consoles, air conditioners and televisions.
  - By May 2009, all of the laptops and one-third of the desktop computers we sell in the U.S. were Energy Star 4.0 compliant.
- Since November 2006, Walmart and Sam's Club in the U.S. have sold more than 350 million CFLs. Over the life of these bulbs, we estimate that we could save our customers more than \$13 billion on energy costs and prevent more than 65 million tons of GHG emissions.
- As of January 31, 2009, in aggregate, 49 percent of the total pounds of fresh or frozen seafood sold at Walmart in the U.S. have the Marine Stewardship Council (MSC) or Aquaculture Certification Council (ACC) certification with many more fisheries currently progressing through the certification process.
  - We currently have 28 products in our stores that carry the MSC certification with more selections underway.
  - 100 percent of the farmed shrimp products we purchase meet factory processing criteria established by the ACC, and we are in the process of having additional shrimp, catfish, tilapia and salmon farms become ACC-certified as well.

- In July 2008, Walmart launched Love, Earth® jewelry, its first completely traceable fine jewelry line. Jewelry lovers can now trace pieces from the Love, Earth® line all the way back to the mines they came from simply by going online. We are working to achieve a 10 percent traceability of all diamonds, gold and silver in jewelry sold at Walmart and Sam's Club in the U.S. from mines, refineries and manufacturers, meeting ethical sourcing standards and responsible mining criteria by 2010.

## Suppliers:

We are committed to working with our more than 100,000 suppliers to develop solutions to some of the pressing environmental problems we all face, such as rising energy costs, high volumes of waste and depleted natural resources.

- On Feb. 25, 2010, Walmart announced a goal to eliminate 20 million metric tons of GHG emissions from its global supply chain by the end of 2015. This represents one and a half times the company's estimated global carbon footprint growth over the next five years and is the equivalent of taking more than 3.8 million cars off the road for a year.
  - Walmart will focus on the product categories with the highest embedded carbon. This approach ensures the project team focuses on the categories that have the greatest opportunity for reductions.
  - For a project to be counted toward this goal, Walmart must demonstrate it had direct influence on the reduction. All emission cuts must come from the sourcing, manufacturing, transportation, customer use or end-of-life disposal of a product.
  - Suppliers and Walmart will submit any reduction to a quality assurance review to ensure methodology, completeness and calculations are correct. PricewaterhouseCoopers will assess under consulting standards whether the defined procedures were followed consistently to quantify the reduction claim.
- On Oct. 22, 2008, our company took the next step in our efforts to become a more sustainable company by hosting a gathering of more than 1,000 leading suppliers, Chinese officials and non-governmental organizations in Beijing, China.
  - We outlined a series of aggressive goals and expectations to help build a more environmentally and socially responsible global supply chain.
  - Our new commitments include:
    - working with suppliers who share our commitment to being socially and environmentally responsible,
    - improving the energy efficiency of supplier factories,
    - working to increase transparency within our supply chain, and
    - achieving an even higher standard of product safety and quality.
- Walmart is working with its suppliers to reduce packaging in its supply chain by 5 percent by 2013 using a 2008 baseline. We are using our online packaging scorecard to gather information on our suppliers' product packaging and evaluate suppliers on their progress. The data collected in the scorecard is available to our buyers to help them make more informed purchasing decisions. In early 2009, we began rolling out the packaging scorecard to select international markets. We estimate a 5 percent packaging reduction will save 667,000 metric tons of carbon dioxide from entering the atmosphere. This is equal to taking 213,000 trucks off the road each year, eliminating the need to use 323,800 tons of coal or 66.7 million gallons of diesel fuel.

## Associates:

With more than 2 million associates globally, we have the unique ability to influence shoppers around the world. Our associates are the faces in the community and can educate our customers on sustainable products. Many associates are also choosing to integrate sustainable practices into their own lives.

- In 2007, Walmart introduced Personal Sustainability Projects (PSP) to all U.S. associates. The voluntary program is focused on helping associates integrate sustainability into their daily lives, and more than 500,000 associates report that they have adopted a PSP.

## **Walmart in the Community:**

- On Nov. 1, 2007, President Bill Clinton announced a partnership with Walmart and the Clinton Climate Initiative to bring environmentally friendly technologies to cities across the U.S. and around the world. We will work with the United States Conference of Mayors to explore ways to use our purchasing power to lower prices on sustainable technologies such as energy-efficient building materials and energy-efficient lighting in an effort to accelerate the deployment of these technologies into the market.
- In April 2005, Walmart and the National Fish and Wildlife Foundation began "Acres for America." This program preserves one acre of critical wildlife habitat for every acre Walmart has developed and will develop until 2015. To date, Acres for America has permanently conserved 412,000 acres in 13 states.

*For more information on Walmart's sustainability efforts, please visit [walmartstores.com](http://walmartstores.com).*

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