

## Wal-Mart is taking the lead on Environmental Sustainability

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At Wal-Mart, we know that being an efficient and profitable business and being a good steward of the environment are goals that can work together. Our environmental goals at Wal-Mart are simple and straightforward: To be supplied 100 percent by renewable energy; to create zero waste; and to sell products that sustain our resources and our environment.

### Environmentally-Friendly Products Reduce Costs and Expand Options for Customers:

We believe ALL families should have affordable access to sustainable products, like organic fruits and vegetables, fresh seafood, clothes made from organic cotton, and forest and paper products that are safe for families and are produced, packaged and delivered to our stores in an environmentally-friendly way.

Recently, SAM'S CLUB introduced a yoga outfit made of organic cotton. It sold 190,000 units at 290 clubs in 10 weeks. Customers snapped it up and, as a result of this and other environmentallyfriendly products we sell, Wal-Mart is now the largest purchaser of organic cotton in the world.

In February 2006, Wal-Mart announced plans to, within the next three to five years, purchase all of its wild-caught fresh and frozen fish for the North American market from Marine Stewardship Council (MSC)-certified fisheries. The MSC is a non-profit organization dedicated to promoting solutions to the problem of over-fishing. Products from MSC-certified fisheries carry a distinctive blue eco-label letting customers know the fish they'll serve their families was harvested in a sustainable way.

In November of last year, Wal-Mart took a major step to ensure that the company's imported shrimp are farmed with environmental sustainability in mind. Wal-Mart partnered with the Global Aquaculture Alliance (GAA) and Aquaculture Certification Council, Inc. (ACC) to certify that all foreign shrimp suppliers adhere to Best Aquaculture Practices (BAP) standards.

Additionally, we are working with various suppliers to educate and inform our customers through newspaper ads featuring new products that are good for the environment – like compact fluorescent light bulbs and cold water detergents .

These are the kinds of options we offer our customers. These are also the kinds of innovations that a retailer with an eye on sustainability can make. And this is the kind of access to sustainable products that we can create for every community, every family and every individual we serve, regardless of their station in life. All it takes is courage and commitment.

### Using, Encouraging and Investing in Renewable Energy Is Good for the Environment and Good for the Business:

Who better than Wal-Mart to make a kilowatt of electricity go twice as far, or a gallon of diesel take our trucks twice the distance? Or three times? Who better than Wal-

Mart to stretch our energy dollars farther than anyone ever has or to help lower our energy bills and gas prices for years to come?

We have one of the largest private fleets in the U.S. At today's prices, if we improve our fleet fuel mileage by just one mile per gallon, we can save over \$52 million per year. We are increasing our fleet efficiency by 25 percent over the next three years and will double it within ten years. When implemented across our entire fleet by 2015, this amounts to savings of more than \$310 million per year.

We plan to eliminate 30 percent of the energy used by our stores. Increasing our energy efficiency not only reduces dependence on oil and saves money; it also reduces greenhouse gas emissions. Wal-Mart wants to help restore balance to climate systems, reduce greenhouse gases, save money for our customers, and reduce dependence on oil. We are committed to the following:

Aggressively investing approximately \$500 million annually in sustainable technologies and innovations.

Reducing greenhouse gases at our existing stores, SAM'S Clubs and Distribution Centers around the world by 20 percent over the next seven years.

Designing and opening a viable prototype store that is 25-30 percent more efficient and will produce up to 30 percent fewer greenhouse gas emissions within the next four years.

Sharing our learning with the world, including our competitors, because the more people who utilize this type of technology, the larger the market and the more we can save our customers.

Aggressively pursuing regulatory and policy changes that will create incentives for utilities to invest in energy efficiency, to use low or no greenhouse gas sources of electricity, and to reduce barriers to integrating these sources into the power grid.

Assisting in the design and support of a green company program in China, where Wal-Mart will show preference to those suppliers and their factories involved in such a program.

Initiating a program here in the U.S. over the next 18 months that will show preference to suppliers who set their own goals and aggressively reduce their own emissions.

**Reducing Waste is Responsible and Cost-Efficient:**

We intend to reach the point in the near future where there will be no dumpsters at our stores and no landfills with Wal-Mart throwaways. To do that, we have to address packaging. We want to ensure that our goods come in the right size package and that the materials in that packaging are made from renewable or recyclable materials.

We are committed to:

Reducing our solid waste from U.S. stores and clubs by 25 percent in the next three years.

Working with suppliers to create less packaging overall, increase product packaging recycling and increase use of post-consumer material.

Replacing some packaging of our private brands with alternatives that are more sustainable and recyclable within the next two years.

And these solutions will build on the types of things we're already doing:

Our packaging team, for example, worked with a supplier to reduce excessive packaging on some of our private-label toy products. By making the packaging just a little bit smaller on one private brand of toys, we will use 497 fewer containers and generate freight savings of more than \$2.4 million per year. We'll save more than 3,800 trees and more than 1,000 barrels of oil.

In November, we replaced our select produce packaging with corn-based (PLA) packaging on just four items – cut fruit, herbs, strawberries and Brussels sprouts. That change will save the equivalent of 800,000 gallons of gasoline and will prevent over 11 million pounds of greenhouse gas emissions from polluting our environment. We are currently testing PLA on everything from cake and donut boxes to bread bags; from strawberry clam shells to deli trays and salad bowls.

We believe that Wal-Mart can continue these kinds of efforts and significantly reduce the amount of waste going to landfills in our communities while reducing costs through increased recycling of the remaining material. A new process in place at some of our stores is helping us recycle plastic that used to be thrown away. Having all of our stores participate in this program will save us \$28 million per year.

Our Environmental Initiatives Are Already Getting Results:

In April 2005, Wal-Mart and the National Fish and Wildlife Foundation (NFWF) began the "Acres for America" partnership. The program preserves one acre of critical wildlife habitat for every acre Wal-Mart has developed and will develop for the next 10 years. To date, over 321,000 acres of wildlife habitat in Arizona, Arkansas, Maine, Louisiana, and Oregon have been preserved, and new projects will be announced early this year.

In California, we recently announced the rollout of the Wal-Mart Kids Recycling Challenge, a private-public partnership that helps California elementary school students become responsible stewards of their environment while earning money for their schools. The Kids Recycling Challenge is the largest plastic bag recycling program of its kind ever undertaken in the state. Since its inception, more than 400 schools have participated, and have already recycled over 104 tons of plastic bags, earning more than \$116,000 for their schools.

We have had hybrid vehicles in our corporate fleet since June of 2003. Hybrid vehicles dramatically reduce gasoline consumption and are environmentally-friendly

alternatives to traditional automobiles. We currently have over 100 hybrid vehicles and have requested another 100 for 2006.

We at Wal-Mart are doing our part to live up to our environmental sustainability goals and to strive to reach our potential. We truly believe that corporations can develop and implement practices that are good for the environment and good for business. Learn more about what we're doing at: [www.walmartstores.com](http://www.walmartstores.com)