

Business Sustainability

21st Century Leadership

21st Century Leadership



WAL*MART
Business Sustainability

Agenda – What you'll get out of this

- Understanding the business case for sustainability at Wal-Mart
- Core sustainability goals and how we're working to achieve them
- Overview of each network and major accomplishments and initiatives
- Tools to enable you to use what you've learned

Wal-Mart Sustainability

- 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.
- We believe ALL families should have affordable access to sustainable products, like organic foods and household products that are safe for families and produced, packaged and delivered to our stores in an environmentally-friendly way.
- Our environmental goals at Wal-Mart are simple and straightforward:
 1. To be supplied 100% by renewable energy
 2. To create zero waste
 3. To sell products that sustain our resources and the environment

21st Century Leadership



WAL*MART
Business Sustainability



***To be supplied 100%
by renewable energy***

- Existing stores 25% more efficient by 2014; new stores 30% more efficient by 2011
- Trucks 25% more efficient by 2010; 50% by 2017



To create zero waste

- 25% reduction in solid waste by 2008
- Closed-loop recycling program with suppliers
- 5% packaging reduction by 2013



***To sell products that
sustain our resources
& environment***

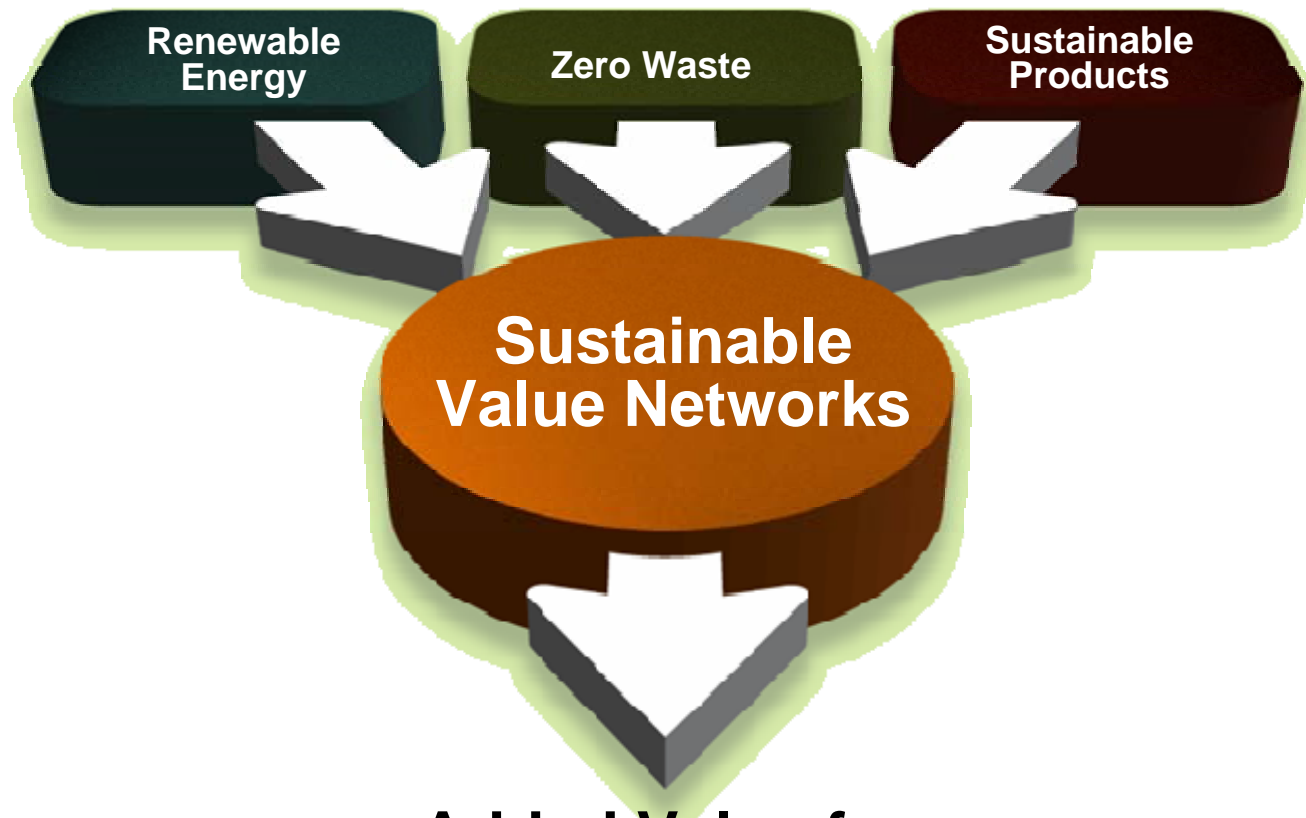
- Align supply chain around sustainable product innovations
- 20% supply base aligned by 2008

21st Century Leadership



WAL*MART
Business Sustainability

How We're Getting it Done



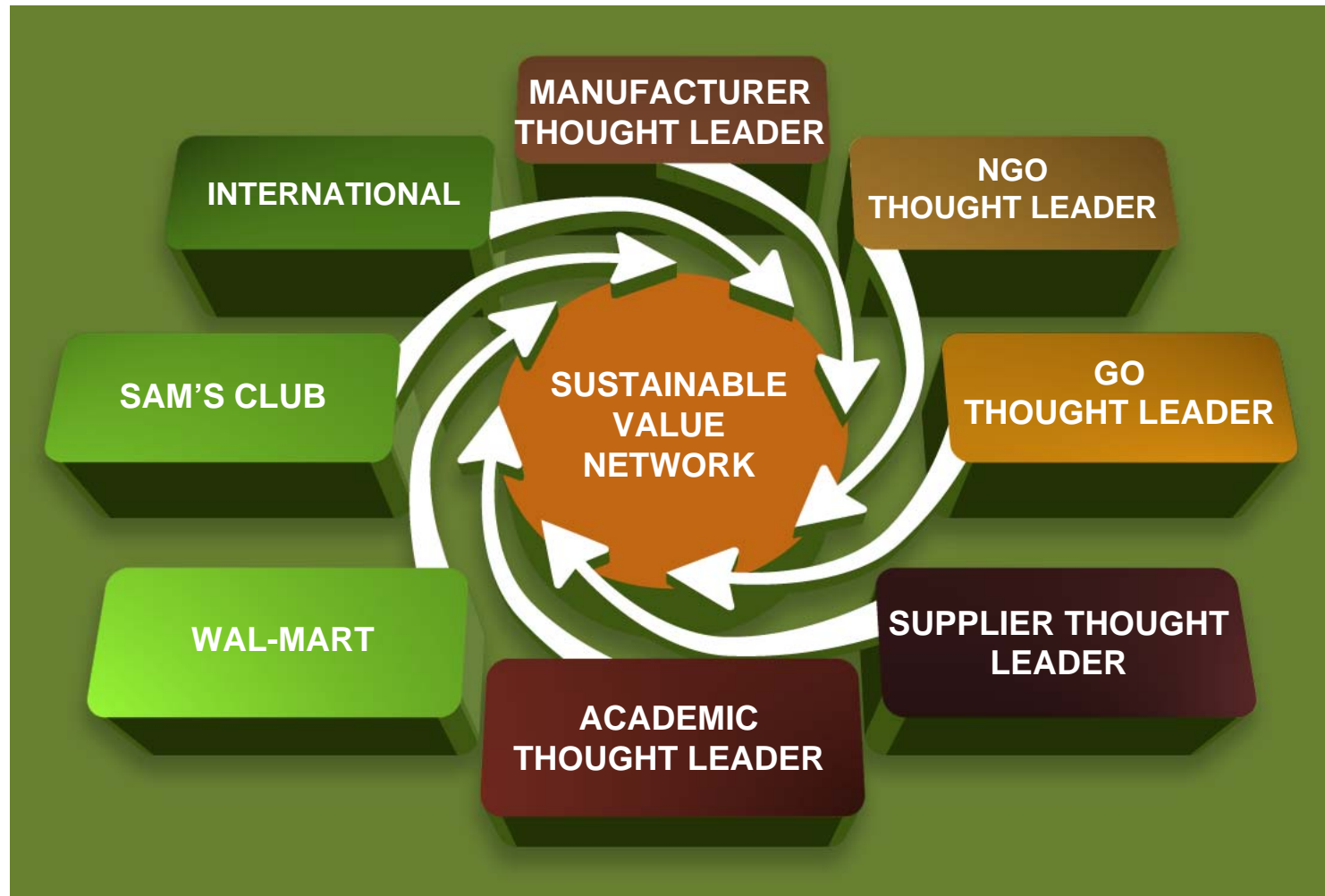
**Added Value for
Customers and Shareholders**

21st Century Leadership



WAL*MART
Business Sustainability

Sustainable Value Networks



21st Century Leadership



WAL*MART
Business Sustainability

Today's Networks

Renewable Energy

Global Greenhouse Gas Strategy

Buildings & Site

Global Logistics

Alternative Fuels

Zero Waste

Operations & Internal Procurement

Packaging

Sustainable Products

Textiles

Electronics

Food, Agriculture & Seafood

Forest Products

Chemical Intensive Products

Jewelry

China

21st Century Leadership



WAL*MART
Business Sustainability

Greenhouse Gas Network



Reduce greenhouse gas emissions
by 20% over the next seven years.

21st Century Leadership



WAL*MART
Business Sustainability

Sustainable Buildings Network



25 to 30% more efficient new stores.

21st Century Leadership



WAL*MART
Business Sustainability

Global Logistics Network



Increase truck fleet efficiency by 25% by 2010 and 50% by 2017.

21st Century Leadership



WAL*MART
Business Sustainability

Alternative Fuels Network



Exploring the sale
and use of all
alternative fuels.

21st Century Leadership



WAL*MART
Business Sustainability

Waste Network



Reduce waste generated by our stores by 25% by 2008.

21st Century Leadership



WAL*MART
Business Sustainability

Packaging Network



5% packaging
reduction by
2013.

21st Century Leadership



WAL*MART
Business Sustainability

Textiles Network



Sell sustainable clothing made from environmentally-friendly materials.

21st Century Leadership



WAL*MART
Business Sustainability

Electronics Network



Develop and sell environmentally-friendly and energy-efficient electronics.

21st Century Leadership



WAL*MART
Business Sustainability

Seafood, Food & Agriculture Network



All wild-caught fish sold in our stores will be certified by MSC by 2012.

21st Century Leadership



WAL*MART
Business Sustainability

Forest & Paper Network



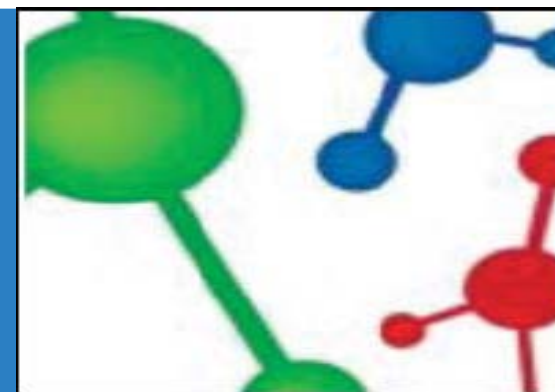
Sell only wood fiber products that come from legally logged sources.

21st Century Leadership



WAL*MART
Business Sustainability

Chemicals Network



Identify 17 additional chemicals of concern that pose potential health risks to our customers, and replace and eliminate them by October 2008.

21st Century Leadership



WAL*MART
Business Sustainability

International Sourcing Network



Help establish sustainable practices into our international suppliers' businesses.

21st Century Leadership



WAL*MART
Business Sustainability

Jewelry Network



Ensuring that our suppliers are adhering to the best environmental methods for the manufacturing of our gold, diamonds and other precious minerals.

21st Century Leadership



WAL*MART
Business Sustainability

Major Accomplishments and Initiatives

- CFLs
 - 100M CFLs sold
 - Mercury reduction
 - 18seconds.org
- Carbon Disclosure Project
- Concentrated Liquid Laundry Detergent
- High-Efficiency and Experimental stores
- Solar power pilot project
- Acres for America
- Personal Sustainability Projects
- Packaging Scorecard
- Sandwich Bales

21st Century Leadership



WAL*MART
Business Sustainability

CFLs

- Each CFL uses up to 75% less energy than a traditional bulb, prevents 450 lbs. of GHG emissions, and saves up to \$30 per bulb in utility costs
 - CFLs are good for the environment and a financially-wise investment
- Customers can recoup the cost of a CFL in less than 6 months and see the savings for years to come
- Committed to reducing mercury in CFLs sold in Wal-Mart stores and Sam's Clubs to below 5 mg
- Met our goal of selling 100 million CFLs by the end of 2007

21st Century Leadership



WAL*MART
Business Sustainability

18seconds.org

18SECONDS.ORG
CHANGE A BULB. CHANGE EVERYTHING.

United States

CFL LIGHTBULBS PURCHASED SINCE 1/1/07:

50,065,876

VIEW
STATE
RANKING

EQUIVALENCY:

DOLLARS SAVED: **\$1,478,215,015**

CARS OFF THE ROAD: **355,175**

POUNDS OF COAL SAVED: **5,211,998,063**

POUNDS OF CO₂ PREVENTED: **22,307,351,711**



**CHANGE A BULB,
CHANGE EVERYTHING**

It only takes **18 seconds** to change a light. Save energy and cash now by switching to Energy Star CFL bulbs, available nearly everywhere light bulbs are sold.

brought to you by:

YAHOO!
nielsen

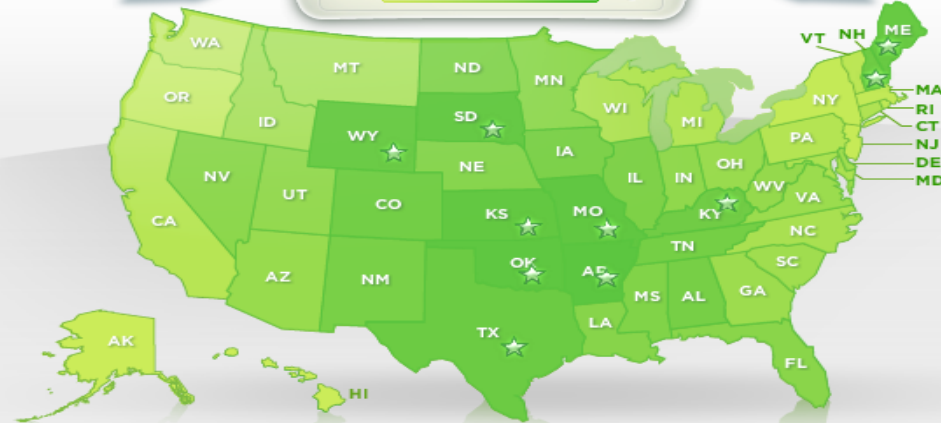
TURN YOUR FRIENDS ON

Make a difference by telling your friends about this site.

SEND TO FRIEND

HOW ENLIGHTENED IS YOUR AREA?

low  high



SELECT YOUR STATE 

OR

ENTER ZIP

FIND IT



The average American family spends about \$1900 on energy bills every year.



SPREAD THE WORD

Help raise awareness of energy efficient bulbs by putting a badge on your site.

MAKE A BADGE



21st Century Leadership



WAL*MART
Business Sustainability

Carbon Disclosure Project

- Partnered with the CDP to measure the amount of energy used to create products throughout its supply chain, including procurement, manufacturing and distribution
- Wal-Mart will initiate a pilot with a group of suppliers to look for new and innovative ways to make the entire process more energy efficient
 - The pilot will focus on seven product categories: DVD's, toothpaste, soap, milk, beer, vacuum cleaners and soda

Concentrated Laundry Detergent

- Committed to sell only concentrated liquid laundry detergent in all Wal-Mart stores and Clubs by the end of May 2008
 - Goal is to serve as a catalyst to transform the entire liquid laundry detergent category across the retail industry
- Will save more than 400 million gallons of water, more than 95 million pounds of plastic resin and more than 125 million pounds of cardboard
 - Potential savings in natural resources through the entire retail industry could be four times as much

HE.1 and Experimental stores

- Experimental stores: McKinney, TX and Aurora, CO
- High-Efficiency (HE.1) stores: Kansas City, MO and Rockton, IL
 - expected to be 20% more efficient than other prototype stores
 - purpose to move closer to creating a 25-30% more energy-efficient prototype by 2009
 - focused around 3 major energy consuming systems: refrigeration, heating and air conditioning, and lighting
- Sustainable technologies and business practices include:
 - LED lights
 - Solar power systems
 - Waste heat reclamation
 - Recycled construction materials and waste
 - Refrigeration display cases

21st Century Leadership



WAL*MART
Business Sustainability

Solar Power Pilot Project

- 10-year contract with SunEdison, SunPower and BP Solar
 - Purchase of the solar power, not the units themselves
- Systems installed in 22 locations in HI and CA
- Wal-Mart will maintain ownership of the Renewable Energy Credits (RECs)
- Each solar power system installed can provide up to 30% of the power for each store
- Total solar power production from the 22 sites is estimated to be as much as 20 million kWh per year
 - one of the U.S., if not world's, top-10 largest ever solar power initiatives

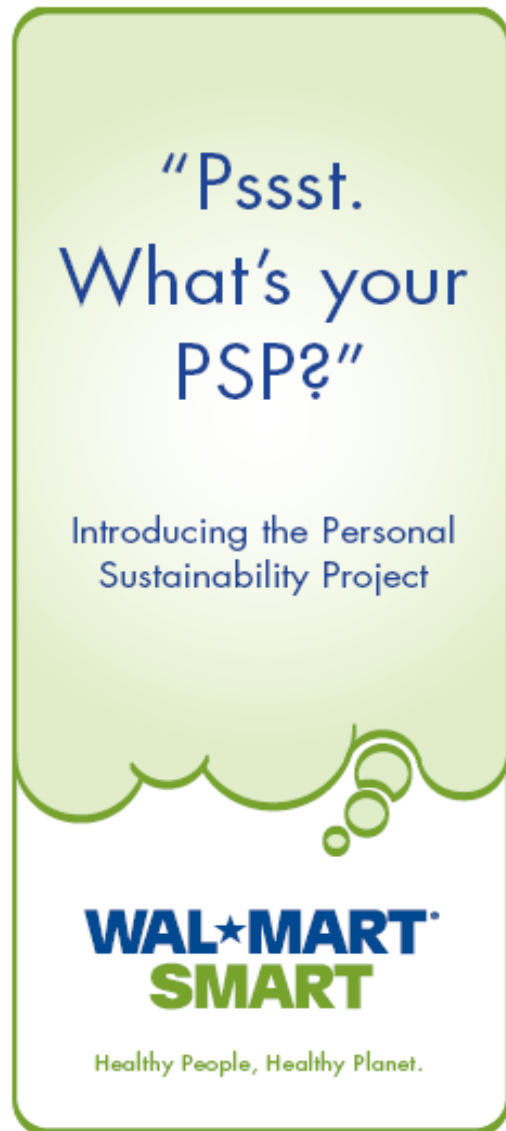
21st Century Leadership



WAL*MART
Business Sustainability

Acres for America

- Partnered with the National Fish and Wildlife Foundation to create a program to conserve critical wildlife habitats
- Wal-Mart committed \$35 million for the next 10 years to conserve at least one acre of priority wildlife habitat for every acre developed for company use
- One of the largest ever public-private partnerships and the first time a company has tied its footprint to land conservation
 - Approximately 395,000 acres protected as of June 2007



The **Personal Sustainability Project** is all about helping Associates incorporate the principles of sustainability into their personal lives. It's a bottom-up, grassroots effort.

Personal Sustainability practices are **SMART:**

- **S**ustains the planet
- **M**akes individuals happy
- **A**ffects the community
- **R**egular and continuous in one's daily life
- **T**akes visible actions that can be shared with others

21st Century Leadership



WAL★MART
Business Sustainability

Packaging Scorecard

- Announced at Clinton Global Initiative
 - World-wide stage of great importance
- Developed Packaging Scorecard that gives our buyers and suppliers a fully-transparent measurement tool designed to help reduce packaging
 - 2,941 suppliers have logged on to the scorecard's site and 7,855 products were entered into the system
 - Estimate the initiative will result in more than \$3 billion in savings throughout its supply chain by 2012

21st Century Leadership



WAL*MART
Business Sustainability

Sandwich Bales

- Designed to keep tons of plastic out of landfills and revolutionize plastic recycling
- Large trash compactors collect shrink wrap, plastic bags, apparel bags and other loose plastic in a bale layered with cardboard
- Pressed into a “sandwich” with 9 - 18 inches of recyclable plastic in the middle, then loaded onto a truck to be recycled into other products
 - Since 2006, this process has helped eliminate more than 56 million pounds of plastic from ending up in landfills

**To learn more about Wal-Mart's
environmental sustainability
efforts visit:**

www.walmartfacts.com

21st Century Leadership



WAL*MART
Business Sustainability