Walmart Sustainability

How Corporate Leaders are Changing Relationships with Suppliers to Lower Carbon Footprints

Olivier Joubert
CTRF - June 1st, 2011
“At the height of this recession, we promised we would **broaden and accelerate** our commitment to sustainability. Today **sustainability is sustainable** at Walmart…

…I appreciate that the world now has higher expectations of our company. So we must raise the bar. We must continue to meet the social obligations and expectations ahead. **Walmart will never look back.**”

Mike Duke  
President and CEO  
Walmart  
Annual Meeting, 2010
Walmart’s Global Presence – 14 Countries Outside the U.S.

- U.S. Units: 4,404
- International Units: 4,434
- Total Units: 8,838

- Canada: 323 Units
- United Kingdom: 385 Units
- China: 311 Units
- Mexico: 1,664 Units
- United States: 4,404 Units
- India*: 5 Units
- Japan: 413 Units
- Argentina: 55 Units
- Central America: 547 Units
- Brazil: 461 Units
- Chile: 270 Units
- Central America: 547 Units
- China: 311 Units
- Japan: 413 Units
- Mexico: 1,664 Units
- United States: 4,404 Units
- India*: 5 Units

*India Bharti Franchises (111) not included in total

As of December 31, 2010
Walmart’s broad sustainability goals

To be supplied 100% by renewable energy

To create zero waste

To sell products that sustain people and the environment
Sustainability contributes to the productivity loop

Grow Sales  
Operate for Less  
Buy for Less  
Sell for Less

Saving people money so they can live better.
Sustainability Networks

Network Captains
Director or Vice President level, guide network efforts and drive initiatives toward goals

Sustainability Team
Members oversee network activities, align overall efforts, provide guidance

Executive Network Sponsor
Senior Vice President level or higher

Chief Executive Officer
Quarterly updates provided through executive management
Be supplied 100% by renewable energy

Design and open a store prototype that’s 25 to 30% more energy efficient and produces up to 30% fewer GHG emissions by 2009 globally

- In 2010, goal met globally – each market created a new prototype based on their local climate conditions

Reduce GHGs at our existing store, club and distribution center base around the world by 20% by 2012

- As of 2008, decreased GHG emissions created by global facilities by 5.1%, approximately 25% of the way toward achieving goal

Double our truck fleet efficiency in the U.S. by October 2015

- 60% increase in fleet efficiency since 2005
Fresh Food DC, Alberta
Be supplied 100% by renewable energy

- Solar
- Wind
- Efficient Fleet and Buildings
Create zero waste

Reduce packaging by 5% globally by 2013 and be packaging neutral by 2025 (2008 Baseline)

- Used packaging scorecard to collect packaging information on approximately 329,000 and 11,000 items in Walmart stores and Sam’s Club respectively

Reduce the weight of global plastic shopping bag waste by an average of 33% per store by 2013 (January 1 - December 31, 2007 Baseline)

- In 2009, reduced plastic bag waste by approximately 66.5 million lbs, approximately 4.8 billion bags, a 16.1% reduction from 2007 baseline

Eliminate landfill waste from U.S. stores and Sam’s Club locations by 2025

- Between February 2009 and January 2010, Walmart redirected more than 64% of the solid waste generated from U.S. facilities
Create zero waste

Waste

Packaging

Reusable Bags
Sell products that sustain people and the environment

By the end of 2009, Walmart U.S. will require all direct import suppliers, and all suppliers of private label and nonbranded products to provide the name and location of every factory used to make products Walmart sells

• As of December 31, 2009, facilitated disclosure of 100% of direct supplier factories, and 100% of all factories used to produce private label and nonbranded merchandise

Work with suppliers to make the most energy-intensive products in our global stores 25% more energy efficient by January 2011 (2008 Baseline)

• As of January 2010, 26 of the 39 TV models we sell in the U.S. are at least 25% more energy efficient

Work with suppliers to drive customer returns on defective merchandise virtually out of existence (less than 1%) by 2012

• In 2009, reduced customer returns on defective merchandise to 1.97%
Sell products that sustain people and the environment

Products

Collaboration

Locally Grown
Walmart Canada - Engaging our carriers

• **Sharing strategy and educating**
  – Logistics Conferences

• **Leading**
  – Walmart Canada *Transportation Innovation Board*

• **Influencing**
  – RFP process - sustainability criteria included
  – Rewarding - Walmart Canada *Carrier Sustainability Award 2010*
Walmart Canada - Engaging others

- **Walmart – Sister companies**
  - WM US & ASDA
  - Share best practices and Research & Development results
  - Ideas generation
  - Standardized reporting

- **Governmental and non-government organizations & industry associations**
  - Transport Canada
  - Share success stories
  - Industry mindset / input to legislation

- **Industry associations**
  - Fleetsmart
  - Ontario Transportation Association
Walmart Canada – Selected achievements

- **Carrier Scorecard**
  - Major tool in spearheading collaboration among supply chain suppliers
  - Looks at sustainability of suppliers’
    - Equipment
    - Operations
    - Facilities
    - Information
    - Corporate commitment
  - Measuring and helping reduce the environmental footprint of our shipping process and logistics network

- **Stores moved from Road to Rail**
Shipping by Rail to the East Coast

In 2010 Walmart shipped 5185 loads

Moncton: 614 miles  
Halifax: 775 miles

Total: 3629 tons CO₂ reduced rail vs. truck

Rail 0.4T CO₂ per load  
Truck 1.2T CO₂ per load

14% Fuel Savings

Rail vs. FCA–6% Jan 2010 to Mar 2011

CN Intermodal Terminal  
Walmart Stores
Walmart Canada – Selected achievements

- **Long Combination Vehicles**
  - Up to 40% reduction in GHGs per load
My Sustainability Plan (MSP)

**MSP**
Inspires associates to make sustainable living an active part of daily life.

**Value**
Provides associates with the opportunity to save money and live better.

**Involvement**
Allows associates to commit and track their progress towards their goal.

**Impact**
Engages a far-reaching audience with the promise to have an impact on Walmart’s approach to sustainability.
Resources

• 2010 Global Sustainability Report:
  http://walmartstores.com/Sustainability/7951.aspx

• Sustainability Website:
  www.walmartstores.com/sustainability

• Sustainability DVD:
  http://walmartstores.com/Video/?c=577

• Sustainability Fact Sheets:
  http://walmartstores.com/pressroom/FactSheets/#Sustainability

• Shareholders 2010:
  http://walmartstores.com/shareholders/onlinearena/