



Wal-Mart Environmental Compliance and Sustainability

**Jayson Scadden
Senior Compliance Manager
Charlottesville, Va**

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Overview

- Wal-Mart Stores Inc.'s [State] Overview
- Overview of Wal-Mart Sustainability
 - Why Sustainability at Wal-Mart?
 - Sustainability Goals and Targets
 - Sustainability 360
- Overview of Environmental Compliance Program
 - Corporate Commitment
 - Environmental Compliance Goals
 - Ensuring Compliance at Wal-Mart Stores, Inc.
- Shared Challenges and Programs

Wal-Mart State Overview

- As of February 2008, Wal-Mart's presence in [State] includes:
 - Supercenters: 71
 - Discount Stores: 18
 - Neighborhood Markets: 0 (2 coming this year)
 - Sam's Clubs: 15
 - Distribution Centers: 4
- Approximately 40,000 Associates as of February 2008
- Over \$2 Billion spent in merchandise and service suppliers in Va FY07 (2/06-1/07)
- Collected \$277 Million in Sales Taxes in FY 07
- Paid \$30 Million in State and Local Taxes in FY 07

Corporate Commitment

- Three Basic Beliefs:
 - **RESPECT** for the Individual;
 - **SERVICE** to Customers; and
 - **STRIVE** for Excellence

FORM the Cornerstone of Wal-Mart's Environmental Policy and Guide our Daily Activities. In support of these beliefs, Wal-Mart Stores, Inc. commits to the following:

- **Compliance with All Environmental Laws and Regulations;**
- **Provide Training** and Support to Meet Our Environmental Commitments;

- **Explore New Technologies to Reduce Pollution** and Support Environmental Sustainability During Construction, Operation, Servicing, and Maintenance of Wal-Mart Facilities;
- **Work with Suppliers** to Fulfill Product Needs that are Environmentally Sustainable;
- **Improve Environmental Performance** by Setting, Measuring, Achieving, and Exceeding Our Objectives; and
- **Promote and Encourage Open Communication** with Regulators and Local Communities.

Sustainability as a Wal-Mart Corporate Value

“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 the environment.”

- Scope and Scale Presents Potential to Effect Positive Change
 - Opportunities to influence our own operations
 - Assume Leadership to Effectuate Change in the Business World by Using Supplier Relationships
- Improves the quality of life for people around the world
- Critical to Wal-Mart’s ability to grow and thrive as a company

Business Integration of Sustainability

- Fourteen Corporate-wide Entrepreneurial Teams
- Focusing on Key Networks
 - Packaging
 - Real Estate
 - Raw Materials
- Setting Goals and Measuring Success
- Partnering with
 - www.18seconds.org
 - Regulatory Agencies
 - US EPA
 - DOE
 - States
 - Local Agencies



To be supplied 100% by renewable energy

- Existing stores 25% more efficient in 7 years; new stores 30% more efficient in 4 years
- Trucks 25% more efficient in 3 years; 50% in 10 years



To create zero waste

- 25% reduction in solid waste in 3 years
- All private brand packaging improved in 2 years



To sell products that sustain our resources & environment

- Align supply chain around sustainable product innovations

Renewable Energy

- Reduction in Wal-Mart's Greenhouse Gas Emissions by 20%
 - “Green Stores” (*McKinney, TX*)
 - Fork Lifts Powered by Hydrogen Cells
 - Hybrid Vehicles
 - CFLs in Store Light Displays
 - Auxiliary Power Units in Trucks
 - Supplier Energy Project

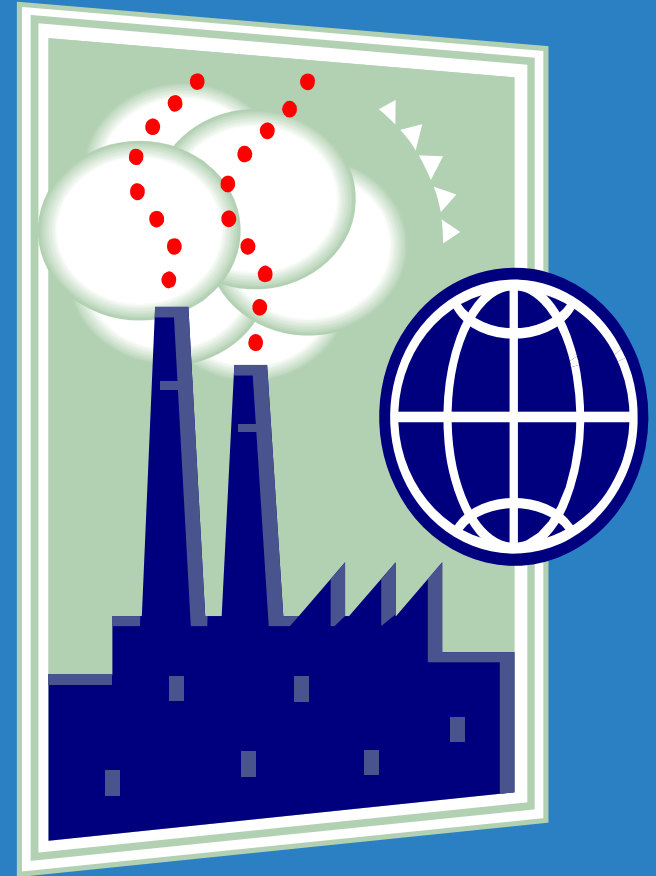
Greenhouse Gas Emissions

- Wal-Mart GHG Footprint is 19.2 million metric tons globally-2006
Carbon Disclosure Project
 - Top Sources
 - Refrigeration
 - Logistics
 - Purchased Energy
 - On-Site Combustion
- Plan to REDUCE GHG Emissions by 20% over the next Seven Years
- \$500 million Annual Investment in Technologies and Innovations to Reduce GHG Emissions
 - Refrigeration Innovations



Greenhouse Gas Emissions

- “Superior Environmental Performer” US EPA Smartway Transport Partnership
 - EPA estimates that in 2006, WM eliminated 678,954 tons of Carbon Dioxide, 31.1 tons of nitrogen oxide, and 11,539 tons of PM
- Installation of Auxiliary Power Units
 - Eliminates 100,000 metric tons of Carbon Dioxide Emissions
- Prototype Store that is 25-30% more efficient with 30% Fewer GHG Emissions





Daylight Harvesting



Waste Reduction

- **Goal of Zero Waste**
 - **Promote the Development of Sustainable Packaging**
 - Fully recyclable and/or biodegradable.
 - **Innovate in Plastics Recycling**
 - “Sandwich Bale”
 - 326 stores this year
 - Diverted 1100 tons of plastic from landfills
 - Turning Trash into Cash
 - Good for business; Great for the environment, and Good for the Economy
 - **Toy Packaging**
 - Smaller Packaging in Kids Connection Brand
 - Saved 3,425 tons of corrugated materials
 - Saved 1,358 barrels of oil
 - Saved 5,190 trees
 - Saved 727 shipping containers
 - Saved \$3.5 million in transportation costs

Super Sandwich Bale



40 Inches of Waste Materials that can be Recycled

Zero Waste



Sandwich Bale
Kid Connection
Private Brand Toy

Sustainable Products

- Marine Stewardship Council
 - Pledged to source all Wild-caught Fresh and Frozen fish for the North American market from MSC's Certified Fisheries- 5 year Goal
- Organic Products
 - Promoting Use of Organic Farming Techniques,
 - Supporting 'Fair Trade' and 'Rainforest Alliance'
 - Available at “Everyday Low Prices”
- Sustainable Products Success Stories
 - Concentrated Detergents
 - CFLs
 - Organic Cotton
- Preferred Chemicals Principles
 - Drive Innovation and Inspire Suppliers to Find Substitutes
 - Awareness
 - Action Plan
 - Recognition and Reward

Coffee with a Cause



Compact Fluorescent Light Bulbs

- CFLs use 75% less Energy
- Wal-Mart/Supplier Partnership to Reduce Mercury Content below 5 mg
- Installing ONE CFL Prevents the Release of 450 lbs. of GHGs into the Environment
- 100 Million CFL Goal Reached in October 2007
 - Over the Life of 100 million bulbs
 - \$3billion Saving in Electrical Costs
 - Prevents 20 million metric tons of GHGs into the Environment
 - 700,000 Cars Off the Road
 - Powers 450,000 Single Family Homes
- Selected Recycling Partnerships with Local Governments, and States



Sustainability 360

- Engage 1.8 million Associates
 - PSP-Personal Sustainability Plan
 - Environmental, Health, and Wellness
- Suppliers
 - Global Innovation
 - » Challenge Suppliers to Remove Products Made with Non-Renewable Energy from our Shelves
 - » Challenge Suppliers to Move Away from Products with High Hazards and Low Lifecycle Benefits
- Communities
 - Using Sustainable Practices in New Markets
 - » Jobs and Opportunities Zones
 - » Announced New Store Openings in 10 Economically Challenged Areas
- Sustainable Choices at “Everyday Low Prices”
 - CFLs
 - Concentrated Detergents
 - Organic Foods
 - Energy Efficiency Tools

PSP

- **2007 480,000 Associates adopted a PSP**
- **Collective PSP Success Stories:**
 - **20,000 Associates quit smoking**
 - **More than three million pounds of plastic recycled**
 - **Associates have shed 184,000 lbs by eating healthier and exercising**
 - **Associates have walked, biked or swam 1,109,421 miles. That's more than two round trips to the moon**

My Favorite Associate PSP

- Removing lights in vending machines in all our break rooms in the 4000 plus facilities in America

Business Application

Darrell Meyers (Asst Mgr, NC)

Saved \$1 Million in energy cost in a year for the company



Waste Reduction Through Reusable Shopping Bags

- Started selling in October 2007 for \$1 per bag
- Reduces the number of plastic bags we need to produce
- Helps customers reduce the amount of waste they generate
- Initial estimates show one reusable bag will eliminate the need for 150 plastic bags over its lifetime.
- Sold enough bags to eliminate 1 billion disposable bags
- Each bag is made with recycled polyethylene terephthalate (RPET) plastic generated from approximately four soda or water bottles
- Holds the weight of two – three regular disposable bags
- Can be returned to the store to be recycled when it reaches the end of life
- Estimated diversion of 97 million pounds of plastic from landfills

When one ton of plastic bags are reused or recycled, the energy equivalent of 11 barrels of oil is saved

Retail EMS Elements

- Corporate Commitment
- Accountability
- Policies and Procedures
- Obligation Identification
- Training and Awareness
- IT Systems
- Verification and Auditing
- Measurement
- Community Outreach

Retail Environmental Results: Hazardous Waste Management

- Nationwide Program designed to meet challenges faced by Retail Industry
 - Turn over
 - Varied Educational Level
 - Varied product categories
- Changing the face of the Retail Industry by
 - Reviewing Products to Better Manage Compliance Issues
 - Simplified Management to meet legal requirements
- Above and beyond compliance

Retail Environmental Results: Construction Storm Water Compliance

- National Program Designed to Ensure GC Compliance
 - The Wal-Mart Storm Water Compliance Team evaluates project Storm Water Pollution Prevention Plans and tracks storm water-related permits for Wal-Mart and General Contractors (GCs)
 - Annual Storm Water Professional Certification training in Bentonville, AR., to date over 5,000 certifications issued to GCs and WM associates through program
- GC Superintendents conduct daily storm water compliance inspections and submit inspection reports online
- GC Compliance Officers perform quality control compliance inspection every 14 days and submit reports online
- Wal-Mart Storm Water Construction Managers perform monthly quality assurance compliance inspections

Opportunities for Relationship Building with [State]

- Sustainability and Compliance Initiatives Compatible with EPA Environmental Priorities
- Wal-Mart's Desire to *"Be Out in Front"*
- *"Out in Front"* with the First Retail Based EMS

“Much work remains to achieve the goals we set for ourselves. Our carbon footprint is growing slower, but it is still growing. We are reducing waste, but we are far from the day when we have eliminated waste in our stores. Many of the products on our shelves can be made more sustainable. We are working to become more diverse and build more sustainable sourcing relationships. We hope that you will judge our commitment by our record. “

Lee Scott, November 15, 2007

- Questions/Open Discussion