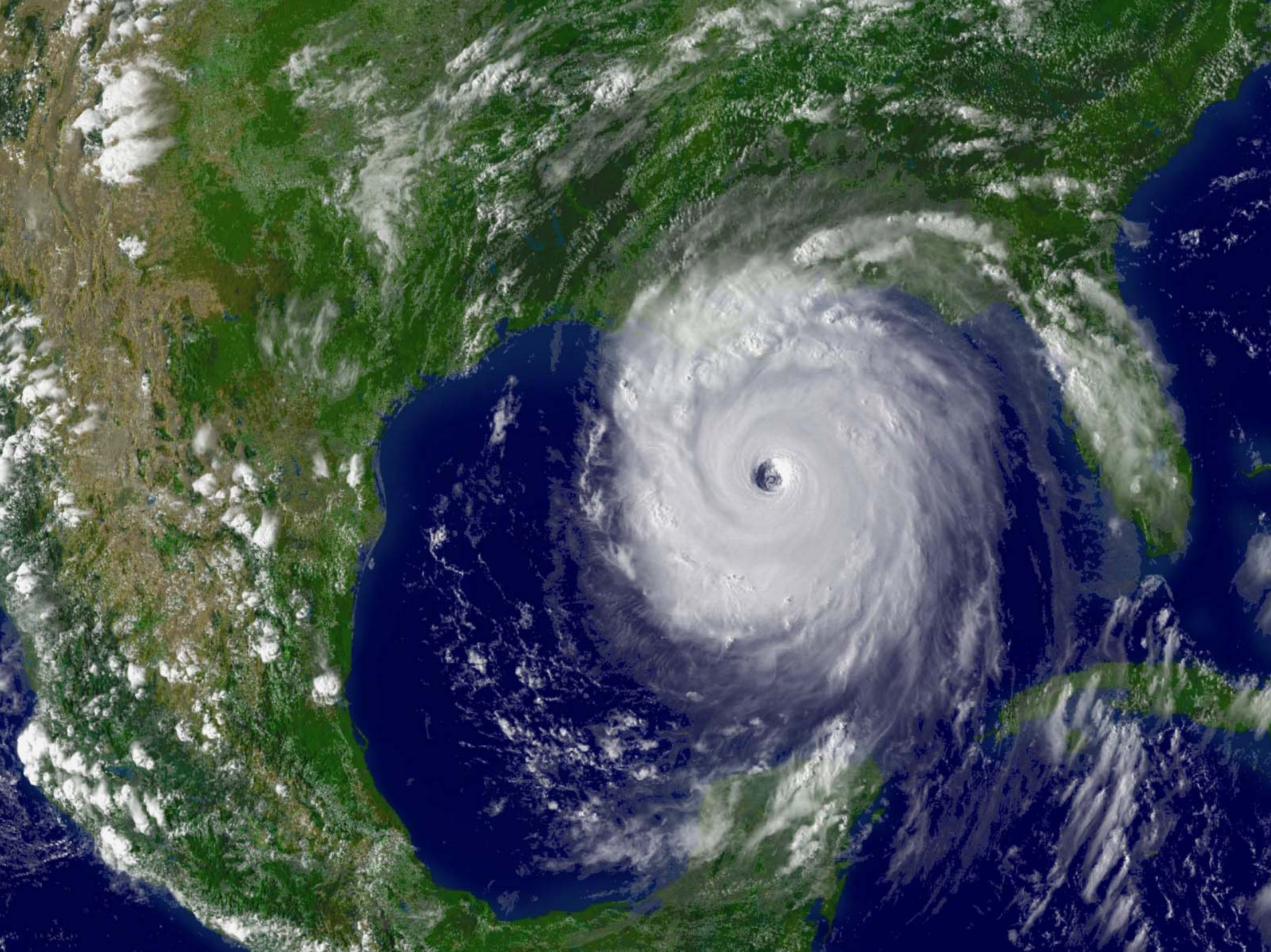


Wal-Mart Business Sustainability Chemical Intensive Products Strategy

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A Historic Opportunity



*"Katrina asked this critical question, and I want to ask it of you: **What would it take to be that company, at our best, all the time?**"*

"What if we used our size and resources to make this country and this earth an even better place for all of us: customers, Associates, our children, and generations unborn?"

"What if the very things that many people criticize us for - our size and reach - became a trusted friend and ally to all, just as it did in Katrina?"



The Power of Size & Reach: 3x Compaction, One SKU



Gallons of Water Saved	478.1MM
Gallons of Diesel Saved	20.7MM
Reduced # of Trucks	2.79MM
Plastic Resin Reduction (lbs.)	128.9MM
Reduced # of out of Stocks	50%
Reduction in Labor	\$91.4MM



Wal-Mart Sustainability Goals



To be supplied 100% by renewable energy

- Stores 25% more efficient in 7 years
- Fleet 25% more efficient in 3 years



To create zero waste

- 25% reduction in solid waste in 3 years

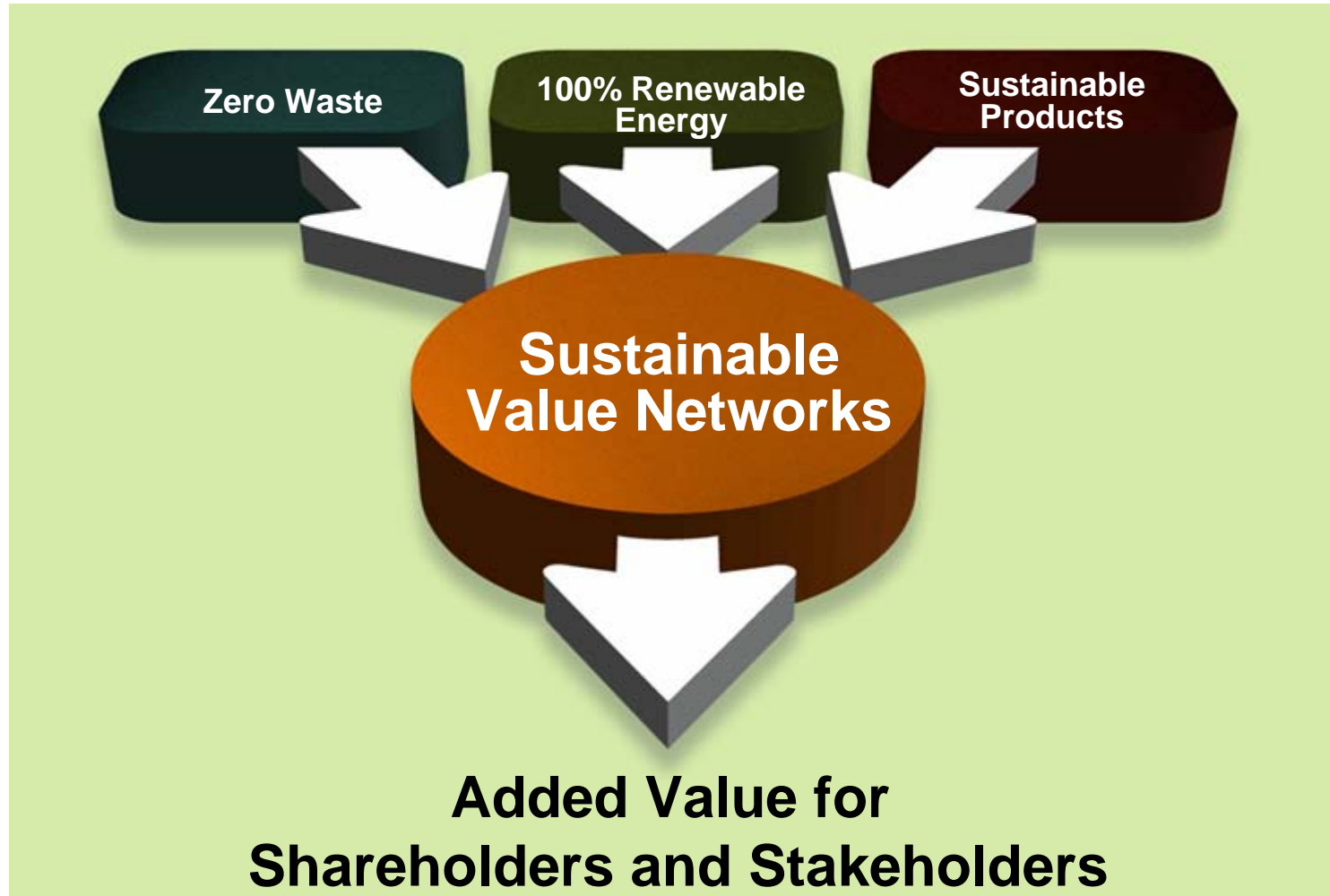


To sell products that sustain our resources & environment

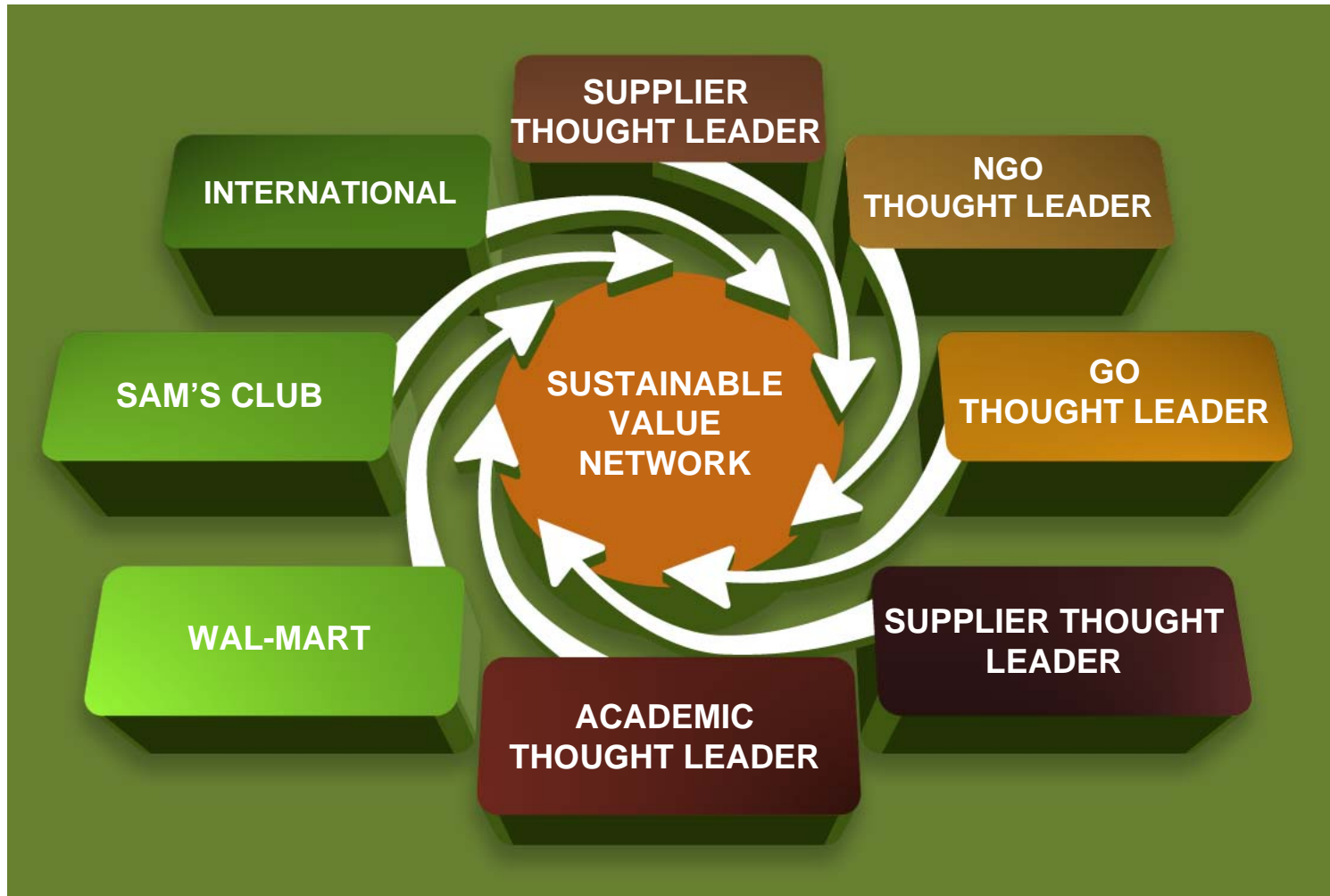
- 20% supply base aligned in 3 years



Sustainable Value Networks



Network structure



Current Networks

Renewable Energy

Global Greenhouse Gas Strategy
Energy, Design Construction & Maintenance
Global Logistics
Alternative Fuels

Zero Waste

Operations & Internal Procurement
Packaging

Sustainable Products

Textiles
Electronics
Food & Ag
Forest & Paper
Chemical Intensive Products
Jewelry
Seafood
China



It's All About the Customer!

Mission



Provide to our customers affordable and effective products where all chemical ingredients are preferred for Mother, Child and the Environment delivered in the most efficient and effective way.

Scope

Products we sell or use that are composed primarily of chemical ingredients (eg., liquids, powders, plastics, etc.) and are of primary relevance, utility and/or concern to parents.



The Opportunity

1. Business Sustainability transcends basic product safety and compliance
2. Some ingredients in products present known concerns for humans and/or the environment
3. Preferred substitutes exist that are cost effective and perform as needed

Vision of success: A store with no warning labels

Specific Actions

1. Preferred Chemical Principles – set direction
2. Priority Chemicals Plan – drive innovation away from chemicals of concern
3. Scorecard – assess products against principles and reward innovation

Preferred Chemical Principles

Safe Products for Mother, Child, and the Environment

When we suspect that an ingredient in a product or the product itself is capable of causing harm to human health and the environment, we will act to find better alternatives.

We will favor those products that do not contain the following:

Chemicals Harmful to Human Health

Carcinogens – can cause cancer

Mutagens – can damage genetic material

Reproductive Toxicants – may affect reproduction or the unborn

Chemicals Harmful to the Environment

Persistent – do not break down in the environment

Bioaccumulative – builds up in the food chain

Toxic – causes death or damage to organisms in the environment

Priority Chemicals Plan

- Goal: Inspire focused innovation effort on specific chemicals of concern
- Potential “Priority Chemicals” are any chemicals with characteristics that do not meet the Wal-Mart Preferred Chemical Principles
- Goal set to address 20 Priority Chemicals over 2 years

First 3 Priority Chemicals

1. PROPOXUR

- Insecticide
- Probable human carcinogen (US EPA)
- Largely replaced by preferred chemicals

2. PERMETHRIN

- Insecticide
- Likely human carcinogen (US EPA)
- Still common in household use

3. NONYL PHENOL ETHOXYLATE

- Class of chemicals used as surfactant in some 'down the drain' cleaning products
- Harmful to environmental organisms and not readily biodegradable
- Preferred replacements exist and are in use

Packaging Scorecard: Live Feb 1, 2008

Review Answers

Background & Product Info.

Supplier Name?	ECRM
Supplier Number?	Scot Case
Wal-Mart/Sam's Club Item Number? (6 or 8 Digits)	123456
Product SKU? (14 Digits)	12345678912345
What is the quantity of product Per Selling Unit?	1
What is the item descriptions? (20 characters)	CD case
Date of Package Launch? (mm/dd/yyyy)	12/12/2006
What was the purchasing company?	Beta Testing WM STORES INC. USA
What is the estimated number of items sold to the above purchaser?	140646719
Testing was conducted and the new package performance is:	N/A first submission
What is the primary product department/category?	ELECTRONICS (Dept. 5)

Selling Unit Packaging materials

What is the percentage of cube utilization?	.8
How many selling unit packaging materials are used?	1 Material(s)
What is the first packaging material?	PLA (polylactic acid)
What is the total weight per package for this material?	25
How far did this material travel before packaging occurred?	Between

Transport Packaging Materials

Is this item a break pack?	Yes
What is the percentage of cube utilization?	
How many materials are used to transport the selling unit package?	1 Material

Package & Model Scores

Metric	Raw Score	Rank	Weight
Greenhouse Gas Emissions from Package Production	0.1041	50%	15%
Evaluation of Material Type	2.3169	50%	15%
Average Distance to Transport Material	5.6829	50%	10%
Product to Package Ratio	1.7094	50%	15%
Cube Utilization	0.2850	50%	15%
Recycled Content	0.0009	50%	10%
Recovery	1.6857	50%	10%
Renewable Energy to Power Each Facility	0.3300	50%	5%
Innovation Different from Energy Standard	0.3300	50%	5%
Total Normalized Score (out of 10)			5.5600

Would You Like To Improve Your Score?

Using our interactive modeling feature allows you to experiment with new or different packaging materials to see how you score could improve with different materials.

[Begin Modeling This Package Now!](#)

Packaging Metrics
 ▶ Product to Package
 ▶ Package Recovery

Sustainable Product

At Beta Testing, we think you shouldn't need to... produced in a sustainable way. We are dedicated... purchase product at our stores and are committed...

Packaging Metrics
 ▶ Material Type
 ▶ Recycled Content
 ▶ Package Innovation

▶ Renew
 ▶ Revenue
 ▶ Read

The Challenge

In order to make a difference we are stressing the importance of using preferable materials. We are asking that you actively participate in this initiative by completing a scorecard that will rate your packaging in terms of

Challenges & Opportunities

- Creating value for customers and for the company
 - Eliminating cost/liability of hazardous product returns
 - Differentiating products in the marketplace and making them affordable
 - Helping customers make a difference through their purchases for their families, their world
- How do we change the product landscape
 - Eliminating chemicals of concern (transparency is first step)
 - Promoting products that are “better” (labels/certifications)
 - Partnering with suppliers (and their suppliers) to innovate
 - Helping disruptive innovators to scale and market new “green chemistry” products
 - Creating a scorecard system to rate products against peers
 - Rewarding suppliers who lead



Improving Customer Value: Product Reformulation

Glass Cleaner



Original Formulation

Water	Deionized
Surfactants	Alkyl Phenol Ethoxylates & Sodium Lauryl Ether Sulfates
Sequestrant	EDTA
Alcohol	Isopropyl Alcohol
Builder	Ammonium Hydroxide
Colorant	Dye
Fragrance	Terpene Based

New Formulation

Deionized
Linear Ethoxylated Alcohols & Alkyl Polyglucosides
Gluconates
Lactate Ester
Hydrogen Peroxide (1%)
Food Colorant
No Added Fragrance

