2005: “21st Century Leadership”

- Be supplied 100% by renewable energy
- Create zero waste
- Sell products that sustain our resources and environment
Today’s Sustainable Value Networks

1. Greenhouse Gas
2. Global Logistics
3. Sustainable Buildings
4. Alternative Fuels
5. Waste
6. Packaging
7. Textiles
8. Electronics
9. Agriculture and Seafood
10. Jewelry
11. Chemicals
12. Wood and Paper
13. China
Wal-Mart Footprint

Direct = 8%

Indirect = 92%

Energy
Packaging
Agriculture
Chemicals
Transportation
Facilities
Marine
Greenhouse Gas
Chemical Intensive Products SVN

**Mission**

• Provide to our customers affordable and effective products in which all chemicals are evaluated for potential health and environmental impacts delivered in the most efficient and effective way.

**Scope**

• Products we sell or use that are composed of chemical ingredients and could potentially adversely affect human health and the environment.
“Chemical” Management

- Third Party (The WERCS) Provides a consistent source for:
  - MSDS (Material Safety Data Sheet)
  - Safety Summary Sheets
  - Transportation Information
  - Waste Handling
  - Regulatory Information for Compliance
- Wal-Mart Specific information - Supplier Number and Buyer Information
- Formulation Information
  - Chemical Names
  - CAS #s
  - % Ranges
    (for potentially hazardous materials and products with VOC)
Managing the products in Wal-Mart’s Supply Chain
The WERCS Process

Suppliers

WERCS

Web Portal
24/7/365 Access

MSDS (Optional: Translated, Country Specific Template, GHS)

WERCS® MSDS Authoring / Classification Software

RETAILER

.XML Safety Summary Sheet, MSDS.pdf, Regulatory Data

48 Hour TAT
CIP Original Strategy

• 2006 – Elimination of Chemicals from our Products
  – Permethrin
  – Propoxur
  – Nonylphenol Ethoxylates

Although we have removed or established timelines for the removal of these chemicals, our strategy has shifted.

Going Forward we will focus on Continuous Improvement vs. 100% Elimination
Informed Substitution: Make our goals transparent and achievable while rewarding those suppliers who can change the game!

When certain characteristics or chemicals apply to products, the question must be raised:

*Can we re-formulate this product to make it less hazardous while keeping cost of goods, lifecycle costs, and efficacy in mind?*

**HOW?** Provide a tool to the suppliers and buyers of these products at minimal cost.
Chemical “Screening Tool”

Provides our buyers and suppliers a fully-transparent tool designed to help evaluate chemicals used in products; potentially reducing products that could pose environmental and/or health hazards.
Configurable Weighting

Weighting of areas or groups of lists can be done specific to product category for accurate screening

Goals can be established for progress tracking and improvements
Actions to Green Chemical Inventories

Aim for the Top
Prefer chemical products that are fully assessed and that have low hazard and lifecycle benefits

Practice Informed Substitution
Process of continual improvement; toward more data and better understanding of what is green and sustainable

Bring up the Bottom
Screen all chemicals against criteria for adverse impacts to human health and the environment to move away from the use of the most hazardous chemicals
Concentrated Detergent

- 400 million gallons of water saved
- 95 million pounds of plastic resin saved
- Fewer Trucks on the road
- Reduced Out-of-Stocks
- Customer-Friendly
Clorox green works line

- Eco-friendly, plant and mineral based products
- Powerful natural cleaners that work as well as conventional cleaners
- Products are not tested on animals

Keep moving forward with providing success stories of our products;

“Tilting the Floor”
Save money. Live better.