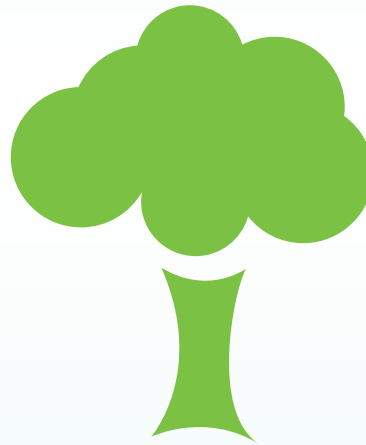


# Supplier Sustainability Assessment



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# Sustainability Supplier Assessment Introduction

## **Our Goals: Creating Value for Business and Society**

At the heart of our business is the belief that we can save our customers money so they can live better. Consistent with this vision, Walmart is committed to working with its suppliers, associates, customers and communities to achieve three aspirational goals: To produce Zero Waste, to be supplied with 100% Renewable Energy, and to sell Sustainable Products. We recognize these are challenging aspirations, yet they are also a tremendous business opportunity. Behind each goal are untold opportunities to reduce waste and cost, improve product quality, drive innovation and tap growing consumer interest in sustainable products.

## **The Sustainability Assessment**

Working with a diverse group of stakeholders, we hope to develop credible, transparent measurements that will help us reward suppliers for innovative, affordable products that are more sustainable for people and the planet. We have found that these measures also help our suppliers identify both cost savings and opportunities for new revenue.

## **Our Journey Begins: The Initial Questions**

We begin with a set of 15 basic questions that give our suppliers the opportunity to highlight important steps they are taking toward sustainability. We developed the questions with input from suppliers, academia, non-profit organizations, government, and the retail community. The questions come from our discovery that taking steps to measure sustainability impacts, and setting targets to reduce those impacts lead to reduced waste and costs, as well as innovation and new revenue streams. To that end, measurement and transparency into the supply chain are the focus of these initial questions. In some cases, we ask for data for verification purposes. Please note that any absolute numbers provided in your answers will not be used for comparison to another supplier, taking into account the variability of measurement methods.

## **Where we are Headed**

We also acknowledge that these first questions do not cover all aspects of sustainability. They are, however, helpful in identifying leadership. Over the course of the next several months, we will seek to highlight additional activities and product attributes that create value for business, the planet, and society. We intend to reward those suppliers who have measured impacts and shown progress toward meeting aggressive sustainability goals. We welcome your input and questions by email: [sustainabilityassessment@wal-mart.com](mailto:sustainabilityassessment@wal-mart.com)

# Sustainability Supplier Assessment Questions

## Energy and Climate

*Reduce energy costs and greenhouse gas emissions*



- 1. Have you measured and taken steps to reduce your corporate greenhouse gas emissions (Y/N)
- 2. Have you opted to report your greenhouse gas emissions and climate change strategy to the Carbon Disclosure Project (CDP)? (Y/N)
- 3. What are your total annual greenhouse gas emissions in the most recent year measured? (Enter total metric tons CO<sub>2</sub>e, e.g. CDP 2009 Questionnaire, Questions 7-11, Scope 1 and 2 emissions)
- 4. Have you set publicly available greenhouse gas reduction targets? If yes, what are those targets? (Enter total metric tons and target date, e.g. CDP 2009 Questionnaire, Question 23)

## Material Efficiency

*Reduce waste and enhance quality*



- Scores will be automatically calculated based on participation in the Packaging Scorecard in addition to the following:
- 5. If measured, please report total amount of solid waste generated from the facilities that produce your product(s) for Walmart for the most recent year measured. (Enter total lbs)
- 6. Have you set publicly available solid waste reduction targets? If yes, what are those targets? (Enter total lbs and target date)
- 7. If measured, please report total water use from the facilities that produce your product(s) for Walmart for the most recent year measured. (Enter total gallons)
- 8. Have you set publically available water use reduction targets? If yes, what are those targets? (Enter total gallons and target date)

## Nature and Resources

*High quality, responsibly sourced raw materials*



- 9. Have you established publicly available sustainability purchasing guidelines for your direct suppliers that address issues such as environmental compliance, employment practices, and product/ingredient safety? (Y/N)
- 10. Have you obtained 3rd party certifications for any of the products that you sell to Walmart? If so, from the list of certifications below, please select those for which any of your products are, or utilize materials that are, currently certified.

## People and Community

*Vibrant, productive workplaces and communities*



- 11. Do you know the location of 100% of the facilities that produce your product(s)? (Y/N)
- 12. Before beginning a business relationship with a manufacturing facility, do you evaluate their quality of production and capacity for production? (Y/N)
- 13. Do you have a process for managing social compliance at the manufacturing level? (Y/N)
- 14. Do you work with your supply base to resolve issues found during social compliance evaluations and also document specific corrections and improvements? (Y/N)
- 15. Do you invest in community development activities in the markets you source from and/or operate within? (Y/N)

# Creating Business Value

Sustainability is a tremendous source of value. Listed below are just some of the benefits of taking action to improve your score.

## Energy and Climate

- Measuring the energy and greenhouse gas in your supply chain can help find opportunities to cut fuel and utility costs and create [innovative products that save customers money](#).
- Publicly reporting emissions through the Carbon Disclosure Project demonstrates to your customers, competitors, and investors that you are strategically addressing climate change risks and pursuing opportunities to reduce costs, drive innovation and ensure access to capital.
- Supplier Dana Undies saved 71% off its annual energy bill by implementing energy efficiency best practices identified through Walmart's [Supplier Energy Efficiency Program](#). View [more examples](#)

## Material Efficiency

- Eliminating waste can save money by reducing resource and logistics costs. See how Walmart has turned its own stores' [waste into profit](#). Decreasing product return rate is another way to reduce waste and cost and ensure quality.
- Walmart's Packaging Scorecard helps suppliers identify [packaging reductions](#) that, even if small, can have significant impacts the use of materials, manufacturing, shipping, storage, refrigeration, waste and energy use.
- By selling only 100% concentrated liquid detergent, suppliers will help save over 400 million gallons water, 95 million lbs of plastic, 125 million lbs of cardboard and millions of dollars in transportation costs over 3 years. [Learn more](#)

## Nature and Resources

- Science-based, 3rd party certification and verification mechanisms can help identify supply chain efficiencies, improve quality and ensure materials are sourced and produced sustainably.
- Sourcing raw materials responsibly also allows you to tap consumer demand for sustainably produced products and mitigate supply chain risk. [Here's an example from the seafood category](#)
- Transparency – knowing where materials and components come from and how they were produced – in the [jewelry supply chain](#) has led to quality products and category sales leadership.

## People and Community

- Creating opportunities to improve quality of life, health and communities can build competitive strength, create new markets and ensure license to grow.
- The first step is knowing more about the location and practices for producing your products.
- Managing social compliance ensures employees are treated with respect and in a manner which we and our customers expect. Walmart is committed to working with its suppliers to reduce social impacts and improve efficiency and quality.



# Energy & Climate: Reduce energy costs and greenhouse gas emissions

## **Introduction**

We have learned that being a profitable business goes hand-in-hand with being a good steward of the planet and people. Accordingly, we are committed to working with our suppliers to find more ways to, for example, increase energy/fuel efficiency and utilize renewable energy sources in our operations, and throughout the supply chain – from extraction of raw materials to consumer use and end-of-life. Not only will this reduce greenhouse gas emissions and help restore balance to climate systems, but it can save money for our customers.

Measuring and improving energy efficiency can improve your company's bottom line by cutting fuel and utility costs. Additionally, more and more countries will be developing greenhouse gas emission reduction mechanisms such as cap and trade or carbon taxes in the future. Businesses would be wise to prepare for such legislation in order to minimize any potential cost impacts or regulatory requirements.

### *What is Greenhouse Gas?*

Scientists have shown that most of the increase in global average temperatures (climate change) since the mid-20th century is likely due to the increased concentration of human-created GHGs in the atmosphere. Greenhouse gases (GHGs) include carbon dioxide, methane, nitrous oxide and other gases. Industry is the second largest global emitter of human-created GHG after energy supply, and much of industrial GHG emissions are from the burning of fossil fuels for heat and power generation.

## **The Questions and their Business Value**

Walmart has saved hundreds of millions of dollars by reducing its energy costs. Many of these cost saving projects started as Walmart began to look at its greenhouse gas emissions to find energy waste – and therefore opportunities to save. We value our relationships with suppliers who share the same approach to doing business.\*

Please note any absolute numbers provided in your answers will NOT be used for comparison to other suppliers unless explicitly stated. We understand that there are many variables inherent in measuring energy use, greenhouse gas emissions, waste and water use, and in absence of common, transparent rules or protocols, one number cannot be legitimately compared with another. Despite these complications, in the future we do intend to reward those suppliers who have measured impacts and show progress toward meeting stated reduction goals.

\* Bernstein, L., et al., 2007: Industry. In: *Climate Change 2007: Synthesis Report, Summary for Policymakers*, Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. ([http://www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4\\_syr\\_spm.pdf](http://www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4_syr_spm.pdf))

1. **Have you measured and taken steps to reduce your corporate greenhouse gas emissions? (Y/N)**

- What is Walmart doing? The first step in managing greenhouse gas pollution or emissions is to measure them. Since 2005, Walmart has been measuring its greenhouse gas emissions.
- Measuring the energy and greenhouse gas associated with your direct operations and throughout your supply chain can help find opportunities to cut fuel and utility costs and create [innovative products that save customers money](#).
- Supplier Dana Undies saved 71% off its annual energy bill by implementing energy efficiency best practices identified through [Walmart's Supplier Energy Efficiency Program](#).
- View [more examples](#)

2. **Have you opted to report your greenhouse gas emissions and climate change strategy to the Carbon Disclosure Project (CDP)? (Y/N)**

- What is Walmart doing? Walmart reports its own Scope 1 and 2 greenhouse gas emissions and its climate change strategy (risks, opportunities, governance, targets) to the CDP and believes it is the most complete and credible reporting tool.
- [The Carbon Disclosure Project \(CDP\)](#) is an independent not-for-profit organization that collects and distributes information on how companies across the globe are responding to climate change, on behalf of 475 institutional investors (banks, pension funds, insurance companies) and over 50 companies and government departments.
- Although we will not be scoring this response now, within 24 months, we will begin giving credit to suppliers who have not only measured GHG emissions, but also reported to the CDP. We will include this in scoring because CDP responses provide us and our suppliers an understanding of how to prepare for risks and commercial opportunities associated with the transition to a low carbon economy. CDP currently holds the largest database of self reported corporate climate change information available. [Read more about Walmart's partnership with CDP](#)
- Publicly reporting emissions, strategy and actions through the CDP demonstrates to your customers, competitors, and investors that you are strategically addressing climate change risks and pursuing opportunities to reduce costs, drive innovation and ensure access to capital.
- There are a number of tools and resources to assist with greenhouse gas emissions accounting, such as the [GHG Protocol](#), which divides emissions sources into three categories or "scopes" (below). Each scope is reported separately within CDP. Starting with Scope 1 and 2 is an important first step; understanding your supply chain emissions (Scope 3) can help to uncover additional savings and innovation opportunities, as well as important risks to manage.
- Scope 1 GHG emissions are direct emissions from GHG sources owned or controlled by the reporting organization.
- Scope 2 GHG emissions do not physically occur from within the organization's reporting boundary and are therefore "indirect" emissions. Scope 2 emissions are caused by the organization's consumption of electricity, heat, cooling or steam brought into its reporting boundary. This category is often called "purchased electricity" because it represents the most common source of Scope 2 emissions.
- Scope 3 GHG emissions are an organization's indirect emissions other than those covered in Scope 2. They are from sources that are not owned or controlled by an organization, but which occur as a result of its activities.
- For the latest questionnaire and guidance materials, [click here](#)
- [Register here](#) to disclose as a Walmart supplier.

**3. What are your total greenhouse gas emissions reported in your most recently completed report? (Enter total metric tons CO<sub>2</sub>e, e.g. CDP 2009 Questionnaire, Questions 7-11, Scope 1 and 2 emissions)**

- What is Walmart doing? Walmart's 2007 annual greenhouse gas emissions have been calculated at approximately 20 million metric tons. You can read more in our latest Global Sustainability Report.
- Sharing your total greenhouse gas emissions or pollution with Walmart will help your merchant to understand if you are working to make progress on your GHG emissions. Additionally, it gives us all the opportunity to share knowledge and best practices, and clarify expectations.

**4. Have you set publicly available greenhouse gas reduction targets? If yes, what are those targets? (Enter total metric tons and target date, e.g. CDP 2009 Questionnaire, Question 23)**

- What is Walmart doing? Because we believe in the value to our business, Walmart has publicly committed to reduce greenhouse gases at our existing store, club and distribution center base around the world by 20 percent by 2012 (2005 baseline). Moreover, we have publicly committed to doubling the efficiency of our fleet by 2015 (2005 baseline) and developing a store prototype that is 25% to 30% more energy efficient by this year (2005 baselines).
- Additionally, we've set reduction goals in some product categories that we believe will help our customers save money. Our goal is to double the sale of products in the U.S. that help make homes more energy efficient by 2011 (2008 baseline), and to work with suppliers to make the most energy intensive products in our stores worldwide 25 percent more energy efficient by January 2011 (2008 baseline).
- Putting a stake in the ground by publicly declaring a greenhouse gas reduction target can set you on a trajectory for consistent improvement over time. The stated target will create an incentive for success, allow you to create a roadmap to take you from where you are to where you want to be, and help you establish clear priorities.
- See page 29 of Ceres' [Corporate Governance and Climate Change](#) report for a listing of public greenhouse gas reduction targets in a variety of industries.



## **Tools & Resources**

If you have not already gotten started on your journey, or are looking for some helpful tools and resources along the way, here are a few suggestions:

### **1. Calculate your carbon footprint.**

- A “carbon footprint” is a measurement of the total greenhouse gasses emitted into the atmosphere from your operations. The commonly used unit for carbon footprint is metric tons of carbon dioxide equivalents (CO<sub>2</sub>e).
- The purpose of the carbon footprint is to identify the major sources of greenhouse gas emissions in your business and translate them into CO<sub>2</sub>e. This will also illuminate opportunity areas for improvements in efficiency and conservation to achieve economic, social, and environmental benefits. Each year, energy saved equals money saved.
- The Greenhouse Gas Protocol provides [explicit instructions and tools](#) to walk you through the carbon footprint process. To complete this process, you can either use internal resources or seek guidance from consultancies or non-profits.
- For an overview of How to Calculate a Carbon Footprint, visit [www.clearcarboninc.com/how-to-calculate-a-carbon-footprint.html](http://www.clearcarboninc.com/how-to-calculate-a-carbon-footprint.html) and learn more by registering for a webinar on the site.

### **2. Carry out a facility energy audit and review your options for taking action.**

- Energy audits are holistic surveys of the facility, process, and systems, performed to understand how energy is currently used and to identify areas for potential savings. An energy audit consists of three main segments: understanding energy costs, identifying potential savings, and reporting cost beneficial recommendations.
- Energy efficiency audits are very specific to the business for which they are conducted, but typically consider the energy use patterns related to lighting, building efficiency, heating and cooling, motors and equipment, and operations/procedures. Nicor Inc., a gas company, has created a [list of common energy efficiency opportunities](#).
- Additional resources:
  - i. Walmart can help you through the Supplier Energy Efficiency Program (SEEP): Engineers may audit your U.S. facilities and recommend operational changes and capital improvements that will save money, increase efficiency, and shrink the carbon footprint. For more information, contact Jim Stanway at [james.stanway@wal-mart.com](mailto:james.stanway@wal-mart.com)
  - ii. [NRDC’s Green Business Guides](#) offer a general overview for facility energy audits.
  - iii. [EDF’s Climate Corps/Innovation Exchange](#) gives details on actions and examples of facilities that have taken steps to reduce energy use
  - iv. The [Department of Energy’s Industrial Technologies Program](#) features a wealth of online self-assessment tools for industrial plants, energy efficiency best practice case studies, and financial resources.
  - v. The Australian Government’s Department of the Environment, Water, Heritage and the Arts has created [auditing tools](#) available online.
  - vi. The BC Climate Exchange’s [Greenhouse Gas Action Guide](#) is a compilation of straightforward, cost-effective actions to assist in cutting greenhouse gas emissions. Though it is specific to Canadian municipalities, it provides many useful tools and action ideas for a variety of business types.

### 3. **Explore renewable energy options.**

- According to the [EPA](#), renewable energy is energy that is derived from sun, wind, water, or the Earth's core. It also can be derived from biomass—or plant matter—which is grown, harvested, and transferred into energy by one of a number of processes. Renewable technologies are designed to capture and store this energy.
- As the cost of energy increases and government incentives make renewable energy more cost competitive, support for renewable energy can provide cost savings over time. In addition, as energy demands rise, the potential for future disruptions to grid-based energy supplies may increase. A company can mitigate resulting operation disruptions if a portion of their energy is supplied onsite via renewable resources. Using renewable energy also generates positive publicity and demonstrates a commitment to environmental issues.
- You can integrate renewable energy into your business by generating on-site renewable energy. Seek out renewable energy providers in your geographic region and assess return-on-investment. If renewable energy programs are available, be sure to obtain proper certification.
- The US Environmental Protection Agency(EPA) offers a [Guide to Purchasing Green Power](#)
- The World Resources Institute has also created a helpful resource with its [Green Power Market Development Program](#).

### 4. **Participate in the Carbon Disclosure Project (CDP)**

The [Carbon Disclosure Project \(CDP\)](#) is an independent not-for-profit organization that holds the largest database of corporate climate change information in the world, gathered on behalf of institutional investors, purchasing organizations and government bodies. The CDP's mission is to collect and distribute high quality information that motivates investors, corporations and governments to take action to prevent dangerous climate change. After companies submit their climate change data, the CDP organizes the data into a database, and provides reports to investors, corporations and governments.

- Full instruction for participation, including resources for assessing your greenhouse emissions, are available on the CDP website [CDP website](#).

## How this Section will be Scored

Scoring begins July 15, 2009. By working with your merchant team in advance to complete the questionnaire, you'll be able to get started on the things that will raise your score. Your score will be available only to you and your merchant team, and accessible on Retail Link.

Merchants will be using this score along with other important financial and non-financial metrics to:

- Identify supplier leadership
- Determine what can be done to help drive business success through the lens of sustainability
- Measure overall supplier performance against goals

Individual questions are weighted based on answers provided (highest possible weighting indicated below), then added to generate a Below, On or Above target assessment the section. Energy & Climate section results are 30% of your overall assessment.

Question #	"Yes" or Complete Answer =
1	40%
2	0%*
3	40%
4	20%

\*We would like to provide suppliers ample time to begin reporting greenhouse gas emissions to the Carbon Disclosure Project; therefore, Question 2 is not currently scored. In approximately 24 months, Question 2 will be required to reach above target.

<b>Below Target (0% - 59%)</b> <i>Not measuring GHG emissions</i>
<b>On Target (60% - 80%)</b> <i>Measuring and taking steps to reduce GHG emissions</i>
<b>Above Target (81% - 100%)</b> <i>Measuring, reporting and setting public GHG emissions reduction targets</i>



# Material Efficiency: *Reduce waste and enhance quality*

## **Introduction**

We have learned that being a profitable business goes hand-in-hand with being a good steward of the raw materials that make up products. Accordingly, we are committed to working in our operations and with you, our supplier, to maximize efficient use of all materials, close material loops and minimize waste. By preserving the limited resources available to us, we are able to cut unnecessary costs, stay ahead of regulation, drive new demand for recycled and low impact material streams, and save energy. These advantages will allow us to continue sustainably providing value to our customers for years to come.

[Click here](#) to learn about some of the changes we have taken to save resources in our own stores.

*Why is waste reduction important?*

Walmart's vision is to reach a day where there are no dumpsters behind our stores and no landfills containing our trash. We've set an aspirational goal to create zero waste.

Reducing waste saves money for our customers, our suppliers and our business. It also decreases our reliance on non-renewable resources. When we reduce waste, we reduce all the water consumption, energy use and environmental impacts that resulted from producing the wasted material. We are recycling more and working with our suppliers to reduce waste at all levels in the production process. We believe that our suppliers are instrumental in—and will benefit from—identifying and pursuing opportunities to reduce waste and increase use of recycled materials.

*Why is water use efficiency important?*

Water efficiency issues are becoming increasingly vital: "Demand for water is doubling every 20 years, outpacing population growth twice as fast. Currently 1.3 billion people don't have access to clean water and 2.5 billion lack proper sewage and sanitation. According to estimates, demand for freshwater will exceed the world's supply by over 50 percent in less than 20 years."\* In light of these facts, businesses have an obligation to use water resources responsibly, and the increasing scarcity of water could raise the cost of doing business.

Companies in water-intensive industries face increasing water-related physical, regulatory and reputational risks.\*\*

\**Water Consciousness, ed by Tara Lohan*

\*\**"Watching Water: A Guide To Evaluating Corporate Risks in a Thirsty World." JP Morgan Securities, Piet Klop. (World Resources Institute, Fred Wellington, 31 March 2008*

## **The Questions and their Business Value**

Walmart has saved hundreds of millions of dollars by improving the efficiency of its material use. Many of these cost saving projects started as Walmart began to explore waste reduction opportunities within its operations – including packaging, water use, and solid waste – and this unearthed savings opportunities. We value our relationships with suppliers who share the same approach to doing business.

Please note any absolute numbers provided in your answers will NOT be used for comparison to other suppliers unless explicitly stated. We understand that there are many variables inherent in measuring energy use, greenhouse gas emissions, waste and water use, and in absence of common, transparent rules or protocols, one number cannot be legitimately compared with another. Despite these complications, in the future we do intend to reward those suppliers who have measured impacts and show progress toward meeting stated reduction goals.

### **Question 5: If measured, please report total amount of solid waste generated from the facilities that produce your product(s) for Walmart for the most recent year measured. (Enter total lbs)**

- What is Walmart doing? Working with our waste management companies, we can measure the weight of our waste being hauled to landfills, and we are using this to track our progress. At this time, more than 55 percent of the waste generated by our stores is being redirected to other uses and never reaches a landfill.
- See how Walmart has turned its own stores' [waste into profit](#).
- Eliminating waste can save money by reducing resource and logistics costs. Cutting waste reduces air, solid waste, and water pollution by reducing the need for conventional waste disposal systems like landfill and incineration. Recycling can generate new revenue streams that will become particularly valuable as the prices of virgin raw materials increase. You can decrease consumption of virgin materials by making reuse a standard practice.
- Decreasing product return rate and ensuring that products have an extended lifespan are ways to reduce waste and cost and enhance quality.
- By telling us where you currently stand on waste, Walmart can help you come up with innovative and often profitable ideas for reduction, areas for further exploration, and resources that can help you reduce your impact.

### **Question 6: Have you set publicly available solid waste reduction targets? If yes, what are those targets? (Enter # and target date)**

- What is Walmart doing? We are committed to a goal of zero waste (100% redirection from landfills). During the last few years, our ASDA stores in the U.K. have established a comprehensive recycling program which has helped them redirect 65 percent of store waste from the landfill, and we have similar pilots in the US.
- Putting a stake in the ground by publicly declaring a solid waste reduction target can set you on a trajectory for consistent improvement over time. The stated target will create an incentive for success, allow you to create a roadmap to reach your goal, and help you prioritize actions.
- We strongly believe that setting a target date can help propel you toward successfully meeting your waste reduction goal; as a result, we ask that you supply us with both your reduction goal and target date.

**Question 7: If measured, please report total water use from the facilities that produce your product(s) for Walmart for the most recent year measured. (Enter total gallons)**

**Question 8: Have you set publically available water use reduction targets? If yes, what are those targets? (Enter # and target date)**

- What is Walmart doing? We currently measure our water use, and we have made good progress toward reducing the water use of our stores. Please see the Global Sustainability Report for more information. Though we have set internal goals, we have not yet publicly announced our water reduction targets for our stores.
- Becoming more water efficient reduces costs associated with purchasing water, helps ensure sustainable supply, and minimizes risks.
- Walmart has taken a number of steps to promote water efficient products. By producing only 100% concentrated liquid detergent, we estimate that suppliers can help save over 400 million gallons of water (along with 95 million lbs of plastic, 125 million lbs of cardboard and millions of dollars in transportation costs over 3 years). [Learn more](#)
- We recently meet our goal of selling only concentrated laundry detergent and expect to sell more than 800 million units of concentrated detergent over the next three years, preserving more than 400 million gallons of water.
- Learn more about [Coca Cola's Global Water Stewardship Program](#) and the role of the private sector in responsible management of global water resources.

#### **Packaging Scorecard Participation**

- Walmart's Packaging Scorecard helps suppliers identify [packaging reductions](#) that, even if small, can significantly impact the use of materials, manufacturing, shipping, storage, refrigeration, waste and energy use.
- [Learn more](#) about sustainable packaging.

## **Tools & Resources**

If you have not already started on your journey, or are looking for some helpful tools and resources along the way, here are a few suggestions:

### ***Waste reduction and recycling***

#### **1. Conduct a waste audit.**

A good first step in minimizing waste and waste related costs is to conduct a waste audit. A waste audit is the process used to identify the type and quantity of waste generated from a business's operations. Through a waste audit, a company can identify and prioritize material use and operational efficiencies, potential cost savings and/or revenue generating opportunities. Some simple measurement tips are included below to get you started:

Measuring your trash:

- Trash is typically measured by volume, e.g., cubic yard
- Capacity \* volume \* frequency >> [EPA conversion factor](#) = cubic yards/week/year or tons/week/year
- Example: 1, 3 yd<sup>3</sup> Dumpster is 85% full when it is emptied twice per week =
  - o  $(3 * 0.85) * 2 = 5.1 \text{ yd}^3/\text{week} = 1.1 \text{ tons/week}$
  - o  $(5.1 \text{ yd}^3 * 0.225 \text{ [EPA conversion factor]})$

Measuring your recycling:

- Recyclables are usually measured in pounds/tons by material type, for example:
  - o 500 tons of loose (flattened but not baled) cardboard
  - o 125 pounds of commingled containers
- Businesses may choose to weigh material (e.g., parcel scale) before it is hauled or
- Estimate based on volume and use [conversion factors](#) to calculate tons
- Some vendors will provide monthly itemized report of recycling/redirection activity
- Remember that waste prevention and reuse is always a more effective method for reducing resource use than recycling

Measuring and tracking your solid waste reduction:

- Method 1: Redirection rate
  - o % redirected from total solid waste
  - o Example: 50 tons recycling + 75 tons trash = 125 tons total solid waste = 40% redirection rate
  - o Zero waste = 100% diversion (all waste is redirected from landfill or incineration disposal)

- Method 2: Per capita or per unit of production
  - o Divide recycling or landfill tons by number of employees, or normalize to business size (e.g., per 100 ft<sup>2</sup>)
  - o Or, divide recycling or landfill tons by units of production (e.g., X tons per 10,000 units)
  - o Per capita solid waste benchmarks (by building type) from the [USGBC LEED Reference Guide for New Construction & Major Renovations](#):
- Office buildings: 1.5 lbs/100 ft<sup>2</sup>/day
- Retail: 3 lbs/100 ft<sup>2</sup>/day
- Method 3: Tracking costs
  - o Track total costs: (cost to landfill + cost of recycling program) + avoided costs
  - o Avoided costs include avoided landfill tipping fees plus source reduction (using less)
  - o Example: 50 tons of cardboard = \$8,000 to landfill (+ worth \$1,400 in rebates); net avoided costs = \$9,400

You may contact your local environmental agency, waste service provider, or other qualified waste auditor to conduct a thorough waste audit of your facility and operations.

Additional resources:

- [US EPA Waste Wise Program](#): Planning a waste assessment program
- [Strategies](#) for conserving, recycling and buying the right paper for your office
- [EPA resource conservation](#) for common wastes and materials and essential information on recycling, treating, and [reducing hazardous wastes](#)
- EPA: [Recycling measurement](#)
- [USGBC LEED Reference Guide for New Construction & Major Renovations](#)

### ***Water efficiency***

Water efficiency opportunities reduce the amount of water necessary to operate processes. Here are some options for approaching water efficiency.

#### **1. Establish your water footprint.**

- The first step in improving water efficiency is to gain an understanding of where water is being used in your operations, such as in appliances used for human health and sanitation, cooling/heating systems, kitchen/cafeteria and so on. The Business for Social Responsibility (BSR) Water Working Group has provided [guidance for collecting basic information on how much water is being used in a facility](#).
- Once you have established where water is being used, determine baseline water use for your operations by measuring total water use from facilities per year (total gallons or liters).
- Do you operate facilities in water-short regions? [The World Business Council for Sustainable Development Global Water Tool](#) is a free and easy-to-use tool for companies and organizations to map their water use and assess risks relative to their global operations and supply chains.



## 2. **Consider retrofit opportunities in your facilities.**

Water efficiency retrofits are actions to reduce the water use in facilities by replacing and/or adjusting existing equipment to become more water efficient. Retrofits can be low-cost, high-impact changes that significantly reduce water consumption, thereby lowering dependency on water and decreasing overall water costs.

To identify opportunities for water efficiency retrofits, you can either use internal resources or seek guidance from consultancies or non-profit organizations. Business for Social Responsibility (BSR) has provided the following retrofit suggestions:

- Consider your water-intensive manufacturing equipment and seek potential for improved water use efficiency (see [GE's Solutions for Sustainable Water Savings](#) and [Alliance for Water Efficiency](#) for guidance specific to manufacturing operations)
- Install water-conserving plumbing features: low flow showers, faucets, toilets, urinals
- Water efficient landscaping, which may include drought tolerant plants or grey-water systems to make use of water from other processes
- Utilize a cistern to collect storm water
- Use non-potable water, river water, or treated wastewater for flushing toilets
- Repair leaks and plumbing problems; replace broken or missing valves
- Utilize modern washing equipment (i.e., electric dishwashers or high-efficiency washing machines)
- Use pressure-regulating valves
- Eliminate water usage if an alternative exists (e.g., use a broom instead of hose)

## 3. **Drive behavioral change among employees.**

Water efficiency gains can also be achieved by simply encouraging change in human behaviors and practices; many changes come with little or no additional costs. Here are some common opportunities for decreasing water use through behavior change:

- Build cultural awareness for water conservation
- Send a letter to all employees from management expressing support for water efficiency and urging employees to participate on all levels
- Set up a "hotline" to report leaks or other wastes of water to facility managers
- Start a suggestion line/box and reward system to recognize water-saving ideas
- Create posters in employee areas related to water conservation
- Turn off running water when not in use

Additional resources:

- GE's [Solutions for Sustainable Water Savings](#) provides guidance to manufacturers for calculating a water footprint, identifying opportunities, creating an optimization plan, and moving forward with execution
- [Water efficiency resources](#) for a variety of commercial, institutional, and industrial water users from the Alliance for Water Efficiency
- BSR's guide to [Corporate Water Strategy](#)
- [Corporate Water Footprints](#)
- [Wastewater treatment](#) and water quality
- [EPA's Water Science](#): developing standards and guidelines under the Clean Water Act and the Safe Drinking Water Act

## How this Section will be Scored

Scoring begins July 15, 2009. By working with your merchant team in advance to complete the questionnaire, you'll be able to get started on the things that will raise your score. Your score will be available only to you and your merchant team, and will be accessible on Retail Link.

Merchants will be using this score along with other important financial and non-financial metrics to:

- Identify supplier leadership
- Determine what can be done to help drive business success through the lens of sustainability
- Measure overall supplier performance against goals

Individual questions are weighted based on answers provided (highest possible weighting indicated below), then added to generate a Below, On or Above target assessment for the section. The Material Efficiency section results are 30% of your overall assessment. Note that in order to be considered "On Target" in Material Efficiency, a minimum of 50% of your products must be entered into the packaging scorecard.

Question #	If answer reported =
5	15%
6	5%
7	15%
8	5%
Packaging Scorecard: >50% completed	45%
Packaging Scorecard: >80% completed	15%

<p><b>Below Target (0% - 59%)</b>  <i>Not taking steps to measure waste or inputs</i></p>
<p><b>On Target (60% - 90%)</b>  <i>Taking steps to measure waste and/or inputs &amp;            PkgScorecard &gt; 50% OR PkgScorecard &gt; 80%</i></p>
<p><b>Above Target (91% - 100%)</b>  <i>Measuring and setting public reduction targets AND            PkgScorecard &gt; 80%</i></p>



# Nature and Resources: *High quality, responsibly sourced raw materials*

## **Introduction**

We have learned that being a profitable business goes hand-in-hand with being a good steward of the planet. Accordingly, we are committed to working in our operations and with you, our supplier, to promote the integrity of nature and ensure a safe, reliable supply of natural resources. Efforts to preserve our planet's natural resources include properly managing or, preferably, eliminating pollution and hazardous waste, maintaining biodiversity, and ensuring natural abundance (e.g. supply of fish, wood, etc.).

## **The Questions and their Business Value**

Walmart has saved millions of dollars by purchasing with a focus on sustainable supply and promoting the responsible use of natural resources. Many of these cost savings were found when Walmart turned its attention to natural resource use in its products and operations and sought opportunities to improve. We value our relationships with suppliers who share the same approach to doing business.

Question 9: Have you established publicly available sustainability purchasing guidelines for your direct suppliers that address issues such as environmental compliance, employment practices, and product/ingredient safety? (Y/N)

- What is Walmart doing? We believe that sourcing products made in an efficient, ethical and environmentally responsible way is essential to meeting the expectations of customers in the future and fulfilling our mission of saving people money so that they can live better. We are working with our suppliers to set new standards for responsible sourcing throughout the global supply chain. In addition to requiring our suppliers to follow our Standards for Suppliers, we will be requiring our suppliers to meet the following publicly declared guidelines:
  - Transparency: We will ask all private label, non-branded, and direct import suppliers to disclose the name and location of every factory used to make the products Walmart sells by the end of 2009.
  - Environmental and Social Compliance:
    - o Source 95% of all direct-import merchandise volume from green and yellow rated factories by 2012 (see Walmart's Ethical Standards Supplier Manual on Retail Link)
  - Quality: Reduce customer defective return rate to < 1% in 2012
- By publicly stating your purchasing guidelines, you demonstrate your company's commitment to achieving supply chain transparency. Knowing where materials and components come from and how they were produced in the [jewelry supply chain](#) has led to quality products and category sales leadership.
- Sourcing raw materials responsibly also allows you to tap consumer demand for sustainably produced products and mitigate supply chain risk, as well as risk to your brand's reputation. Here's an [example from the seafood category](#).

**Question 10: Have you obtained 3rd party certifications for any of the products that you sell to Walmart? If so, from the list of certifications below, please select those for which any of your products are, or utilize materials that are, currently certified.**

- Science-based, 3rd party certification and verification mechanisms can help identify supply chain efficiencies, improve quality and ensure materials are sourced and produced sustainably. Though suppliers shouldn't feel the need to certify their products, understanding the requirements of credible certifying bodies and achieving certification can reveal many environmental and financial opportunities.
- For example, Chiquita has saved more than \$5 million since 1997 as a result of decreasing the use of chemical inputs, resulting from certification requirements. In addition, the company's commitment to certified products has reduced its risk and improved its reputation.
- Read more from the [Rainforest Alliance](#) on the economic benefits of certification.
- Though there are many valuable certification groups, the following are particularly noteworthy as 3rd party certification mechanisms:

**Seafood**

- Marine Stewardship Council
- Aquaculture Certification Council

**Food**

- National Organic Council
- (USDA)
- Protected Harvest

**Electronics**

- Energy Star (EPA)
- Electronic Product Assessment
- Tool (EPEAT) – Silver or Gold

*\*Preferred*

**Multiple Products**

- Green Seal
- Ecologo (Environment Canada/Terra Choice)
- Design for the Environment (EPA)
- WaterSense (EPA)

**Wood and Paper**

- Forest Stewardship Council\*
- Sustainable Forestry Initiative
- National Standard for Sustainable Forest Management (Canadian Standards Association)
- Program for the Endorsement of Forest Certification

**Textiles**

- Global Organic Textile Standard

**Socially Focused**

- Rainforest Alliance
- TransFair USA – Fair Trade

## **Tools & Resources**

If you have not already gotten started on your journey, or are looking for some helpful tools and resources along the way, here are a few suggestions:

1. Develop sustainable purchasing guidelines for your suppliers.  
The following resources may be helpful in developing your own guidelines. (But remember, the first step in focusing on the most important guidelines is understanding the environmental impacts of your supply chain through life cycle analysis.)
  - WWF Global Forest & Trade Network: [Responsible Purchasing Guide](#)
  - EPA: [Environmentally Preferable Purchasing](#)
  - Environmental Defense [Buyer Guides](#)
  - [Responsible Purchasing Network](#)
  - [IKEA's IWAY Standard](#) is a great example of comprehensive standards
  
2. Explore applicable product certifications and/or standards.
  - The raw materials and components your source for your products, from cocoa to computers, may be eligible to become certified by a 3rd party certifying organization. Certified products must meet a set of criteria that include robust environmental and social considerations designed to minimize impact on the environment, people and communities. A listing of Walmart recognized certifications by product area is included above.
  
  - These labels tell the consumer that your product was produced (and contains materials that were produced) in a manner that minimizes impact on natural resources. This could include the elimination of harmful, polluting chemicals, preservation of biodiversity, and responsible harvesting for long-term, productive supply of resources including wood, minerals, and food and other agricultural products.
  
  - [TerraChoice's EcoLogo program](#) can help you navigate the complex certification landscape and provides auditing services.

## How this Section will be Scored

Scoring begins July 15, 2009. By working with your merchant team in advance to complete the questionnaire, you'll be able to get started on the things that will raise your score. Your score will be available only to you and your merchant team, and will be accessible on Retail Link.

Merchants will be using this score along with other important financial and non-financial metrics to:

- Identify supplier leadership
- Determine what can be done to help drive business success through the lens of sustainability
- Measure overall supplier performance against goals

Individual questions are weighted based on answers provided (highest possible weighting indicated below), then added to generate a Below, On or Above target assessment for the section. **The Nature and Resources** section results are **20%** of your overall assessment.

Question #	If Yes, score=
9	50%
10	50%

### **Below Target (0% - 49%)**

*Does not factor origin and/or production practices for product raw materials and/or components into purchasing decisions.*

### **On Target (50% - 99%)**

*Taking a step to factor origin and/or production practices for product raw materials and/or components into purchasing decisions.*

### **Above Target (100%)**

*Publicly disclosing sustainable purchasing guidelines for product raw materials and/or components, and has obtained at least one applicable 3rd party certification.*



# People & Community: *Vibrant, productive workplaces and communities*

## **Introduction**

We have learned that being a profitable business goes hand-in-hand with being a good steward of the planet and communities. Accordingly, we are committed to working in our operations and with you, our supplier, to sell products that are safe, high quality and produced in a way that creates value to people and communities.

We are committed to the following priorities:

- **Improve Livelihoods:** Create productive, healthy and safe workplaces, generate economic opportunities, and promote quality of life.
- **Build Strong Communities:** Make it possible for our customers, associates, and the workers who produce the merchandise we buy to have access to affordable, high quality services such as education and job training that support workers and their families.
- **Prevent Exposure to Harmful Substances:** Improve health and safety by preventing exposure to substances that are considered harmful or toxic to human health by a broad scientific community.
- **Promote Health and Wellness:** Increase access to nutritious products, encourage healthy lifestyles and promote access to health care.

We know our customers want to be confident that the products in our stores are safe, and were produced in a manner that respects employees and communities. We also believe that suppliers who are ethical and responsible in how they do business and how they make their products are much more likely to care about quality.

Responsible and ethical production is inherent in our three basic beliefs: respect for the individual, service to our customers and striving for excellence. We believe in holding our suppliers to the same principles, and we are committed to building relationships with those suppliers who demonstrate leadership in creating safe, healthy products and thriving workplaces and communities.

## **The Questions and their Business Value**

In October 2008, Walmart's CEO expressed that companies who are unfair to their people are also likely to cheat on quality, and we will not continue to do business with those suppliers. We have learned the important correlation between supply chain transparency, positive labor practices, and community involvement and quality, efficiency and cost.

### **Question 11: Do you know the location of 100% of the facilities that produce your product(s)? (Y/N)**

- What is Walmart doing? We recognize the immense complexity of supply chains for the products we sell, but Walmart is committed to transparency in the supply chain for all products. For example, we have asked all private label, non-branded, and direct import suppliers to declare name and location of every factory used to make the products Walmart sells by 2010.
- The first step in creating a socially responsible supply chain is knowing more about the location and practices for production of your products. Increasingly, consumers are demanding information about the environmental, social and health impacts of their purchases.
- Transparency in your supply chain can identify ways to improve quality and reduce costs (e.g. by eliminating waste, business interruptions and associated costs, and inefficient production methods).
- Addressing practices that may be harmful to workers and communities can reduce risks to your business (e.g., damaged brand reputation and lost worker productivity), and lead to opportunities to innovate and capture new markets.

### **Question 12: Before beginning a business relationship with a manufacturing facility, do you evaluate their quality of production and capacity for production? (Y/N)**

### **Question 13: Do you have a process for managing social compliance at the manufacturing level? (Y/N)**

### **Question 14: Do you work with your supply base to resolve issues found during social compliance evaluations and also document specific corrections and improvements? (Y/N)**

- What is Walmart doing? Walmart's Ethical Standards Program aims to strengthen the implementation of positive labor and environmental practices in factories, to bring opportunities for a better life to people in the countries where Walmart sources merchandise, and to verify factory compliance with our Standards for Suppliers (code of conduct).
- In 2007 and 2008, we saw improvements in the number of green and yellow factory assessments, and our supplier development program will focus on building even deeper relationships with strategic suppliers who are taking steps to manage social compliance, understand the root causes of issues in factories and invest in best practices.
- Managing social compliance effectively can create a work environment where employees are treated with respect and in a manner which we and our customers expect.
- "Social compliance" is defined as meeting or exceeding the requirements of local laws and buyers' Code of Conduct concerning wages, hours, health, safety, and human rights of employees.



- Having a social compliance team allows you to be proactive in addressing gaps that could interrupt business, negatively impact workers, products, and/or the environment (resulting increased costs due to down time, high turnover, inefficiencies, or inconsistent/unavailable supply).
- Social compliance teams are an essential link in developing long-term, positive business relationships with suppliers.
- Ensuring your own suppliers are committed to high standards for social responsibility can be a useful indicator of production quality and capacity – leading to increased long-term reliability.

**Question 15: Do you invest in community development activities in the markets you source from and/or operate within? (Y/N)**

- What is Walmart doing? Walmart and its domestic and international foundations award grants for education and workforce development across the globe. Examples include programs focused on high school success, improving college access, adolescent literacy, job skill training, career counseling services, financial literacy initiatives and job readiness programs both domestically and globally.
- Community development support could include the promotion and/or investment in local infrastructure or institutions focused on education, health and wellness, and economic opportunity, for example.
- Creating opportunities to improve quality of life, health, access to education and community vibrancy can build brand equity, create new markets, deepen business and community relationships and promote growth.
- Positive contributions to local communities within which you operate – such as support or funding for educational programs – can support workforce development, create access to new talent, and enhance the well-being of employees and their families.
- Partnering with local organizations, such as community-based NGOs, can help you tap local knowledge, leverage valuable resources and build a strong reputation in communities in which you operate.

## **Tools & Resources**

If you have not already begun your journey, or are looking for some helpful tools and resources along the way, here are a few suggestions:

1. Identify the names and locations of your Tier 1 and Tier 2 suppliers
  - The Global Reporting Initiative's Global Action Network for Transparency in the Supply Chain supports companies and their suppliers in confronting challenges in navigating and understanding complex supply chains. It provides companies and their select suppliers exclusive training and technical support for implementation of the GRI [reporting framework](#).
  - See [Patagonia's Footprint Chronicles](#) and [Love Earth jewelry](#) for examples of supply chain transparency in action.
  - Hewlett Packard was the first electronics company to [publish its supplier list](#), which represents 95% of its supply base, in an effort to drive industry collaboration toward reduced social and environmental impacts.
  
2. Establish a social compliance team and develop an auditing protocol
  - Dedicate one or more individuals to review performance within your manufacturing facilities, as well as those of your suppliers, and engage with management on corrective action and improvement plans.
  - Visit [Walmart's Ethical Sourcing site](#) to link to our Standards for Suppliers, Supplier Manual, and other helpful guidance.
  - [Impactt](#) helps suppliers design and implement labor standards training and facility audit programs.
  - [Business for Social Responsibility \(BSR\)](#) provides responsible sourcing trends and best practices.
  - [Verité](#) provides services in compliance program development and remediation at the factory level.
  
3. Understand the life cycle social impacts potentially associated with your product
  - UNEP's Life Cycle Initiative has recently published [Guidelines for Social Life Cycle Assessment of Products](#), a roadmap for stakeholders engaged in measuring social and socio-economic impacts in supply chains.
  - Learn more about how product manufacturing and use can impact human health from the [Environmental Defense Fund](#).
  
4. Explore applicable certifications and/or standards
  - Your products and/or operations may be eligible to become certified by an organization such as [Rainforest Alliance](#) or [TransFair \(Fair Trade\)](#). Certified products must meet a set of criteria defined by 3rd parties including robust social and environmental considerations.
  - These labels tell the consumer that your product was produced in a manner that helps local communities and workers benefit, among other criteria such as natural resources management.

## How this Section will be Scored

Scoring begins July 15, 2009. By working with your merchant team in advance to complete the questionnaire, you'll be able to get started on the activities that will raise your score. Your score will be available only to you and your merchant team, and will be accessible on Retail Link.

Merchants will be using this score along with other important financial and non-financial metrics to:

- Identify supplier leadership
- Measure overall supplier performance against goals
- Determine what can be done to help drive business success through the lens of sustainability

Individual questions are weighted based on answers provided (highest possible weighting indicated below), then added to generate a Below, On or Above target assessment for the section. The People & Community section results are **20%** of your overall assessment.

Question #	Yes Answer=
11	40%
12	15%
13	25%
14	15%
15	5%

### **Below Target (0% - 64%)**

*Limited transparency into production practices and not addressing social impacts*

### **On Target (65% - 99%)**

*Supply chain transparency with full visibility to all first-tier factories and subcontractors; addressing social impacts*

### **Above Target (100%)**

*Full transparency to entire supply chain; actively addressing social impacts, and investing in community development*

# Definitions

**Question 5:**  
**“Solid Waste”**

Please include entire factory solid waste to landfill (not just your production). If multiple customers are using the same facility, report total factory output for all customers. This information may be obtained through your waste management facility or calculated, for example, based on volume capacity of waste containers and frequency of collection.

**Question 7:**  
**“Water Use”**

Please include entire factory water use (not just your production). If multiple customers are using the same facility, report total factory output for all customers. This information may be obtained through your water management company or utility (e.g. invoice or billing statement).

**Questions 5, 7, 11:**  
**“Facilities that produce your products”**

Facilities that you (supplier) own/lease and/or operate, or contract with directly to manufacture/assemble the final goods.

**Question 13:**  
**“Social compliance”**

Social compliance is defined as meeting or exceeding the requirements of local laws and buyers’ Code of Conduct concerning wages, hours, health, safety, and human rights of employees.

**Question 15:**  
**“Community development”**

Community development support could include the promotion and/or investment in local infrastructure or institutions focused on education, health and wellness, and economic opportunity, for example.

### 3<sup>rd</sup> Party Certifications for Question 10

**Seafood:**

- Marine Stewardship Council
- Aquaculture Certification Council

**Food:**

- National Organic Council (USDA)
- Protected Harvest

**Electronics:**

- Energy Star (EPA)
- Electronic Product Assessment Tool (EPEAT) – Silver or Gold

**Multiple Products:**

- Green Seal
- Ecologo (Environment Canada/Terra Choice)
- Design for the Environment (EPA)
- WaterSense (EPA)

**Wood & Paper:**

- Forest Stewardship Council\*
- Sustainable Forestry Initiative
- National Standard for Sustainable Forest Management (Canadian Standards Association)
- Program for the Endorsement of Forest Certification

**Textiles:**

- Global Organic Textile Standard

**Socially Focused:**

- Rainforest Alliance
- TransFair USA – Fair Trade

*\*Preferred*

# Sustainability Supplier Assessment FAQs

## **Why should I do this?**

We want to identify and thank our suppliers that have demonstrated leadership in sustainability. Even more importantly, in working internally and with other suppliers, we have found cost savings and innovation opportunities by investigating our energy use, our waste stream and our impacts on natural resources and the community. The measurements and behaviors we ask about in this questionnaire have significant potential to drive down costs and/or enhance quality while helping our suppliers be more sustainable. We want to strengthen our relationships with suppliers who share this approach to doing business.

## **Is it mandatory that I answer all these questions?**

It's not mandatory. This is an opportunity for you to show how your company's practices stand out amongst Walmart's 60,000 suppliers. Leaders in sustainability deserve merit.

## **When do the answers need to be completed?**

Our top tier suppliers are expected to answer the questions by October 1, but all suppliers are encouraged to submit their answers as soon as they can. Additionally, as your company makes progress, any supplier can go into Retail Link and revise the answers they submitted at any point. This way, we can track your progress and you can continue to get credit for your actions in the future.

## **How will this information be used?**

Walmart wants to better understand the practices of its suppliers. This helps us keep our promise to our customers of delivering great products that will help them save money and live better. We see our suppliers as partners in this endeavor, and this is a tool to help reinforce and advance those partnerships. Any absolute numbers provided in your answers will NOT be used for comparison to other suppliers unless explicitly stated. We understand that there are many variables inherent in measuring energy use, greenhouse gas emissions, waste and water use, and in absence of common, transparent rules or protocols, one number cannot be legitimately compared with another. Despite these complications, in the future we do intend to reward those suppliers who have measured impacts and show progress toward meeting stated reduction goals.

## **Will the merchants have access to the information I provide?**

Yes. Your merchandising team will be able to use the information you provide to gain a deeper understanding of your commitment to sustainability. However, we understand that these questions do not cover all of the things that your company may be doing to become more sustainable. Accordingly, please work with them to identify and share best practices in your categories that are not covered in this questionnaire.

### **Am I being evaluated based on these questions?**

Evaluations of the responses will begin in September 2009.

### **How will I be evaluated?**

Suppliers will be rated as Above Target, On Target, or Below Target for each individual section and as a whole. Please see the other resource documentation for additional information on how each section will be rated, as well as resources that can help you improve your rating.

### **How will I be evaluated?**

The supplier assessment is available to fill out at any time, and answers can be changed or added at any time. Accordingly, as your company makes progress we invite you to revise your answers accordingly to get credit for your leadership.

### **Do these questions encompass the breadth of how Walmart defines sustainability?**

No. This is just one step in our journey to collaborate more closely with our suppliers on our sustainability goals. In order to keep this process from becoming onerous for our suppliers, the first phase of information gathering is focused largely on our suppliers' measurement and goal setting for key factors around sustainability. Eventually, we intend to ask other questions about suppliers and products.

### **What is the scope of the Sustainability Assessment, U.S. or Global?**

Suppliers are to complete this questionnaire using their vendor number for Walmart or Sam's Club US. Going forward, other regions may ask you to complete the same questionnaire but currently these questions apply to Walmart or Sam's Club US only.

### **Are the questions for all facilities in one country or for all facilities supplying Walmart/Sam's Club?**

The questions apply to all facilities supplying products to Walmart and Sam's Club. You do not have to break out Walmart's specific portion of the, for example, emissions in each factory. Please simply include the total emissions. You also need not worry if the facilities are owned or contracted because this will not affect the score.

### **I want to complete the form for my company as a whole, not individual business units. How do I do this?**

The tool is organized by vendor number, so you simply need to complete the form for each vendor number. If you have the ability to break your information out by vendor number, that is very good, but if you do not, please simply fill in the same information (aggregate total for the entire company) for each vendor number listed.

**My reduction targets are normalized to production (or some other variable). How should I report this?**

Enter the % or number in the space provided to indicate your target reduction amount, and communicate with your buyer that the figures are normalized. The intent of this question is to demonstrate that a reduction target has been set.

**Is Walmart going to be validating my responses? Will it be at my cost?**

Responses to this questionnaire will be accepted in good faith, relying on the integrity of the supplier. Violation of that good faith will be considered very serious by Walmart. Merchandising teams will be trained in how to identify inaccuracies, and if you have concerns that inaccurate information has been provided, please email [SustainabilityAssessment@wal-mart.com](mailto:SustainabilityAssessment@wal-mart.com).

**We report our greenhouse gas emissions through another program. Can we get credit for that?**

Walmart has thoroughly researched the various carbon reporting programs out there and believes that the Carbon Disclosure Project is the most complete and credible. The CDP allows companies to enter their data from other carbon inventory programs and provides a uniform reporting system.

**How do my scores from the Packaging Scorecard impact my overall score?**

Scores are automatically pulled from the Packaging Scorecard and are based on the percent of your products for which you have completed the scorecard. If you have completed the Packaging Scorecard for all your products, you're in great shape. But more importantly, the process of completing that scorecard should help you identify ways to cut costs and increase the sustainability of the packaging of your products.

**What if I choose not to complete the scorecard?**

You will not be penalized for not participating. However, we want to stress our commitment to delivering great products that help our customers save money so they can live better. Sustainability is an important factor we will use to determine which products fit this profile, and answering these questions will help us evaluate suppliers' progress fairly.

**What if I didn't complete the Packaging Scorecard?**

If you haven't completed the Packaging Scorecard for your products, it's time to start. This continues to be a priority for Walmart and lack of participation will impact your score.

**My product is certified by a group that's not on your list. Can I still get credit for that?**

Walmart and Sam's Club-recognized certification programs are evaluated based on strict criteria to ensure they are credible and meet both sustainability and business value objectives. If you would like to recommend a certification or self-registration program be considered, please email [sustainability\\_index@wal-mart.com](mailto:sustainability_index@wal-mart.com).

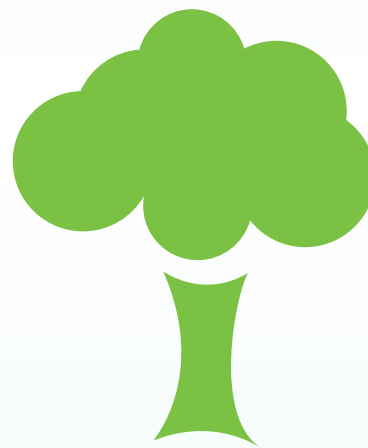
**My company has had environmental programs in place for years. How can we get credit for the work we've already done?**

If your company has a long history of environmental stewardship and corporate responsibility, you will be well positioned to score well on the Sustainability Assessment because you have already done much of the hard work of understanding the impacts of your business. Additionally, the Sustainability Assessment will not replace the relationship that you have with your merchandising team. This is simply a tool for Walmart to better understand and evaluate progress against our company-wide goal of selling sustainable products.

**Who can I call if I have questions? Will there be a hotline?**

Start by talking to your buyers. If they are not able to answer your questions, email your questions to [sustainabilityassessment@wal-mart.com](mailto:sustainabilityassessment@wal-mart.com).





**Walmart**  SM

