



Sustainability Index: Version 1.0

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 Index

Working with a diverse group of stakeholders, we hope to develop credible, transparent measurements that will help us reward suppliers and 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 16 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 is the focus of these initial questions.

Where we are Headed

We also acknowledge that these first questions are not complete. Over the course of the next several months, our hope and expectation is to partner with our suppliers, customers, associates and other stakeholders, as we seek to highlight additional activities and product attributes that create value for business, the planet, and society.

We welcome your input to Rand Waddoups, Walmart's Senior Director of Sustainability, rand.waddoups@wal-mart.com.

Sustainability Index Version 1.0 Supplier Questions

<p>Energy and Climate <i>Reduce energy costs and greenhouse gas emissions</i></p>	<p>1. Have you measured your corporate greenhouse gas emissions? (Y/N)</p> <p>2. Have you opted to report your greenhouse gas emissions to the Carbon Disclosure Project (CDP)? (Y/N)</p> <p>3. What are your total greenhouse gas emissions reported in your most recently completed report? (Enter total metric tons CO₂e, e.g. CDP6 Questionnaire, Section 2b)</p> <p>4. Have you set publicly available greenhouse gas reduction targets? If yes, what are those targets? (Enter % or # and target date; 2 fields or leave blank)</p>
<p>Material Efficiency <i>Reduce waste and enhance quality</i></p>	<p>Scores will be automatically calculated based on your participation in the Packaging Scorecard, as well as number of products returned, damaged and/or recalled.</p> <p>5. If measured, please report total amount of solid waste generated from the facilities that produce your product(s) for Wal-Mart Inc for the most recent year measured. (Enter total lbs or kilograms)</p> <p>6. Have you set publicly available solid waste reduction targets? If yes, what are those targets? (Enter % or # and target date; 2 fields or leave blank)</p> <p>7. If measured, please report total water use from the facilities that produce your product(s) for Wal-Mart Inc for the most recent year measured. (Enter total gallons or liters)</p> <p>8. Have you set publicly available water use reduction targets? If yes, what are those targets? (Enter % or # and target date; 2 fields or leave blank)</p>
<p>Natural Resources <i>High quality, responsibly sourced raw materials</i></p>	<p>9. Do you know the country of origin for 100% of all of the materials or components that are purchased directly to make your final products? (Y/N)</p> <p>10. 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)</p> <p>11. 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.</p>
<p>People and Community <i>Responsible & ethical production</i></p>	<p>12. Do you know the location of 100% of the facilities that produce your product(s)? (Y/N)</p> <p>13. Before beginning a business relationship with a manufacturing facility, do you evaluate their quality of production and capacity for production? (Y/N)</p> <p>14. Do you have a process for managing social compliance at the manufacturing level? (Y/N)</p> <p>15. Do you work with your supply base to resolve issues found during social compliance evaluations and also document specific corrections and improvements? (Y/N)</p> <p>16. Do you invest in community development activities in the markets you source from and/or operate within? (Y/N)</p>

Definitions & Help Text

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).
Question 9: “Materials and components purchased directly”	Materials and components you purchase directly refers to any raw material (e.g. metals, ingredients, wood, resins, etc.) or components (e.g. zippers, circuit boards, bottles, etc.), that are purchased directly by the final assembler/manufacturer from another supplier (i.e. your purchases from Tier 1 suppliers only).
Question 12: “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 14: “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 16: “Community development”	Community development activities are designed to create opportunities for the people in the communities in which you operate and/or source from, and could include investments in infrastructure or institutions including education, health care, small business, housing and utilities.

3rd Party Certifications for Question 11

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

