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Sustainable Product Index: Fact Sheet

On July 16, 2009, Walmart announced plans to develop a worldwide sustainable product index, which is expected to lead to higher quality, lower costs and measure the sustainability of products and help customers, live better in the 21st century. One of the biggest challenges we all face is measuring the sustainability of a product. Walmart believes a research-driven approach involving universities, retailers, suppliers and non-government organizations (NGOs) can accelerate and broaden this effort.

The Need for an Index

- The world's population is increasing.
 - It is estimated that the global population will reach 9 billion by 2050.
- The world's natural resources are decreasing.
 - Natural resources for everything we grow, eat, drink, make, package, buy, transport and throw away is outpacing the earth's capacity to sustain it.
- Customers want more efficient, longer lasting, better performing products. They want to know:
 - the materials in the product are safe
 - that it is made well
 - the product was produced in a responsible way

Index Step 1: Supplier Assessment

Walmart will provide each of its 100,000 global suppliers with a survey of 15 simple, but powerful, questions to evaluate their own company's sustainability. The questions are divided into four areas:

- Energy and Climate
- Natural resources
- Material efficiency
- People and Community

Under these categories are some familiar questions on greenhouse gas emissions and location of factories, but the list also includes some new areas, such as water use and solid waste produced. For a complete list of the questions, visit walmartstores.com

Walmart will ask its top tier U.S. suppliers to complete the survey by Oct.1. Outside the United States, the company will develop timelines on a country-by-country basis for suppliers to complete the survey.

These are not complicated questions, but we have never systematically asked for this kind of information before. This is an important first step in assessing the sustainability of suppliers, but for true transparency, we also need a tool for the sustainability of products.

Index Step 2: Lifecycle Analysis Database

As a second step, Walmart is helping create a consortium of universities that will collaborate with suppliers, retailers, NGOs and government to develop a global database of information on the lifecycle of products – from raw materials to disposal. Walmart will provide the initial funding for the consortium, but it is not our intention to create or own this index.

The company will also partner with one or more leading technology companies to create an open platform that will power the index.

Arizona State University and the University of Arkansas will jointly administer the consortium. Talks are underway with additional universities to join the newly formed consortium.

Index Step 3: A Simple Tool for Consumers

The final step of the index is to provide customers with product information in a simple, convenient, easy to understand rating, so they can make choices and consume in a more sustainable way. How that information is delivered to consumers is still undetermined, but could take the form of a numeric score, color code or some other type of label. The sustainability consortium will help determine the scoring process in the coming months and years.

“The index will bring about a more transparent supply chain, drive product innovation and, ultimately, provide consumers the information they need to assess the sustainability of products. If we work together, we can create a new retail standard for the 21st century.”

**Mike Duke, President and Chief Executive Officer, Wal-Mart Stores, Inc.
Walmart Sustainability Milestone Meeting, July 16, 2009**