

WAL-MART STORES, INC. LOOKS AT SUSTAINABILITY OF WOOD PRODUCTS

Wal-Mart working with suppliers to eliminate waste and illegal logging

At Wal-Mart, we know that being an efficient and profitable business goes hand-in-hand with being a good steward of the environment. Two of our company-wide goals are to sell products that sustain and protect our resources, and to generate zero-net waste. Through the **Forest and Paper Network**, we aim to reduce wasted paper and packaging from products, achieve transparency of our wood supply chain, and eliminate illegally sourced wood from our supply chain.

Did You Know?

- More than 30 percent of the Earth's surface is covered with forests according to the World Wildlife Fund.
- The Massachusetts Institute of Technology estimates the average American uses 650 pounds of paper per year.
- According to the American Forest and Paper Association, United States papermakers recycle enough paper everyday to fill a 15-mile train of boxcars.
- The World Bank estimates that illegal logging results in annual losses in developing countries of \$10-15 billion. Some estimates suggest that the illegal timber trade may comprise over a tenth of the total global timber trade.

Trimming our Wood and Paper use

Our Forest and Paper Network is working with a number of environmental groups, such as the **World Wildlife Fund**, and sustainable forestry groups like the **American Tree Farmers Association** to develop goals to source paper and wood products from sustainable forests. We are also working with suppliers to make products that fit within our sustainability goals.

- New paper products are showing up on Wal-Mart shelves across America. In line with eliminating unwanted waste, we are working with suppliers to develop "**Extended Roll Life**" products that condense several rolls of either toilet paper or paper towels onto one "Extended Roll Life" roll. These products eliminate the need for extra cardboard centers, reduce the amount of packaging, save space on our shelves and in our trucks, and are designed to save our customers time and money. For example, the Charmin 6 Mega Roll pack contains the same amount of toilet paper as a regular Charmin 24 roll pack. **By selling twice as many Charmin 6 Mega Roll packs, we can ship twice as many units on our trucks, eliminate 89.5 million cardboard roll cores, eliminate 360,087 pounds of plastic wrapping and reduce our diesel consumption by 53,966 gallons.**
- We plan to introduce a **supplier preference program that will give preference to suppliers who make their products with sustainably harvested wood**. Tree farms or forests are required to pass a series of inspections that analyze their harvesting methods before they can be declared a sustainable forest. In doing this, we hope to **eliminate the use of non-sustainably harvested wood** from our supply chain.
- In order to see where all of the wood in Wal-Mart products travels within the supply chain, we need to have transparency of our wood supply base. We are working with suppliers, environmental groups and forestry groups who are recommending methods for reaching this goal.
- Thousands of wood pallets are built, used and discarded when transporting products across the United States. Our Sam's Club stores are trying to **reduce and limit the use of wood pallets** by stacking products more efficiently. We have tested tall pallet use with Charmin, Bounty and Member's Mark paper towels in our Kansas City and Oklahoma City markets. **This change can save \$3 million per year, reduces our need for 940,000 pallets, and eliminates the need for 35 million board feet of wood.**
- To eliminate non-paper waste associated with paper products, **we are working with suppliers to eliminate the wrapping from individual paper towel rolls that are sold as a multiple unit package**. By reducing a small amount of plastic from one type of product, we can eliminate hundreds of pounds of trash from landfills every year.

What Others are Saying:

- "Businesses like Dell, Home Depot, Wal-Mart, Time-Warner, and a large number of forest product companies have joined with environmentalists and others in raising concerns about the problem of wood that is coming from sources that do not protect forests or human and labor rights." *Inside Green Business Weekly Report, October 4, 2006*
- "Wal-Mart is a huge player, and they have enormous clout," says Scott Burns of the World Wildlife Fund, which has 10 employees working with Wal-Mart on several projects. "They're sending a very powerful signal that already is having effects on the way people produce products for them." *USA TODAY, September 25, 2006*
- "...Wal-Mart is so big that a slight reduction in the packaging of one of its toy lines saved the company \$2.4 million last year by cutting trucking costs, while saving 1,000 barrels of oil and 3,800 trees..." *The Record, July 30, 2006*

For more information on Wal-Mart's sustainability efforts, please visit www.walmartstores.com.

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