

WALMART U.S. REDUCES WASTE WITH SALE OF REUSABLE BAGS

Retailer adds new reusable bag option for customers to help reduce the need for plastic bags

At Wal-Mart, we believe that being an efficient and profitable business goes hand-in-hand with being a good steward of the environment. One of Wal-Mart's company-wide sustainability goals is to generate zero-net waste. By offering our customers the option to bring their groceries and purchases home in reusable bags, we are reducing the amount of plastic we use and the amount of waste that ends up in the homes of our customers.

Bag Facts

In October 2007, we began selling reusable bags in all of our Walmart discount stores, Supercenters and Neighborhood Markets for \$1 each. Since this launch, we have sold enough of our black reusable bags in the U.S. to eliminate the need for one billion disposable plastic bags.

As part of our commitment announced at the Clinton Global Initiative in September 2008, Wal-Mart will reduce our global plastic shopping bag waste by an average of 33 percent per store by 2013. To help reach our U.S. goal of a 25 percent reduction, we are increasing the availability and affordability of reusable bags in our U.S. stores. A new, blue reusable bag that will sell for 50 cents each will be available to all U.S. customers by November 2008.

- Walmart will offer both the black and blue reusable bags, providing our customers two affordable options for bringing their groceries and purchases home in a reusable bag.
- The black bags, which are offered to our customers for \$1 each, are made with recycled polyethylene terephthalate (RPET) plastic generated from soda or water bottles. Each bag will hold merchandise weighing up to 35 lbs. Our estimates show that each black reusable bag could eliminate the need for at least 150 plastic disposable bags over its lifetime. Since it was introduced in 2007, we have sold enough black bags to eliminate the need for at least one billion disposable bags.
- The blue bags – offered to our customers for 50 cents each – are made from non-woven polypropylene. Each blue bag will hold merchandise weighing up to 22 lbs. and has the potential to eliminate the need for up to 75 disposable bags over its lifetime.
- When our reusable bags wear out, customers can return them to their local Walmart store for recycling. We will combine the worn bags with the rest of the used plastic generated by our stores into our super sandwich balers, where it will be bundled and sent to a certified recycler for processing. So far, we estimate that we've diverted more than 97 million pounds of plastic from landfills.

Did you Know?

- A single sturdy, reusable bag needs only be used 11 times to have a lower environmental impact than using 11 disposable plastic bags once.
- When one ton of plastic bags are reused or recycled, the energy equivalent of 11 barrels of oil is saved.
- In New York City alone, one less grocery bag per person per year would reduce waste by 125,000 pounds.

For more information on Walmart's sustainability efforts, please visit www.walmartstores.com.

####

Wal-Mart Sets Goal to Reduce its Global Plastic Shopping Bag Waste by One-Third

On Sept. 24, 2008, at the Clinton Global Initiative Annual Meeting, Wal-Mart Stores, Inc., announced that it would work to reduce its global plastic shopping bag waste by an average of 33 percent per store by 2013. With millions of dollars spent each year purchasing plastic shopping bags and more than 176 million customers visiting our stores each week, reducing the number of plastic shopping bags we give away and increasing the availability and affordability of reusable bags demonstrates Wal-Mart's unique position to drive change across an entire industry for the benefit of business, customers and the environment. Achieving this goal could reduce plastic bag waste equivalent to 9 billion bags per year from Wal-Mart's existing stores alone.

Plastic Shopping Bag Waste Reduction: Environmental and Economic Benefits

Wal-Mart's goal could have far-reaching environmental and economic benefits. It is estimated that roughly 60-80 percent of all marine debris is plastic. Reducing plastic shopping bag waste could also help reduce government expenditures. For example, the state of California spends approximately \$25 million per year to discard plastic bags in landfills. Further, reducing the plastic shopping bag waste produced by existing stores globally by one-third is roughly equivalent to:

- 290,000 metric tons of greenhouse gases expected to be reduced or avoided each year from existing stores; or
- Energy consumption equivalent to 678,000 barrels of oil not needed; or
- The amount of CO2 sequestered annually by more than 65,000 acres of pine or fir forests; or
- The annual energy use of more than 25,000 homes in the United States; or
- The greenhouse gas emissions avoided by recycling more than 100,000 tons of waste instead of sending it to the landfill.

Plastic Bag Reduction: Roll-out

One of Wal-Mart's company-wide sustainability goals is to generate zero-net waste. We can make progress toward this goal by reducing the number of plastic shopping bags we give away and the amount of waste that ends up in the homes of our customers, in local landfills and in the environment. By using a three-pronged strategy of reduce, reuse and recycle, we have developed a series of steps our global business units may take to help meet our goal, including but not limited to:

Reduce—reduce the number of plastic bags per transaction at our registers and optimize plastic bag design to reduce waste:

- Improve cashier training on bagging efficiency
- Incent associates to decrease bag use
- Reduce bag size, including thickness
- Create materials for stores to educate customers on minimizing bag usage

Reuse—increase reusable bag use by making them accessible and affordable to everyone, and motivate customers to reuse bags:

- Design multiple reusable bag offerings
- Remove barriers to purchase: low cost options, giveaways, lifetime replacement and the use of collapsible crates
- Improve store operations: fixtures for reusable bags, cashier training on the load capacity of reusable bags and encouraging customers to use reusable bags
- Engage customers: create materials for stores to educate customers on positive environmental impact of Wal-Mart's reusable bags, install new signage in stores to promote reusable bag offerings and remind customers to reuse bags

Recycle—increase the number of plastic bags recycled and close the loop on recycled plastic:

- Improve store operations: design larger recycling bins and place in prominent location(s) in store; purchase balers; implement improved software to track volume of recycled plastics from each store
- Engage customers: educate customers on the positive environmental impact of recycling plastic shopping bags at Wal-Mart; print recycling message on plastic bags to remind customers to return them; incent customers to return bags
- Close the loop: research options to sell recycled plastics directly to Wal-Mart suppliers; avoid additives that contaminate the recycle stream
- Recycle reusable bags: accept worn-out reusable bags for recycling; combine the worn bags with the rest of the plastic generated by our stores into our super sandwich bales, where it will be sent to a certified recycler for processing

Plastic Shopping Bag Waste Reduction: Global Impact

Our commitment to reduce plastic bag waste globally by 33 percent includes a 25 percent reduction from U.S. stores and a 50 percent reduction from our international operations. Our goal builds on efforts already underway across our global operations. Some examples include:

- In **Argentina**, Wal-Mart has improved cashier training, ensuring customers leave the store with the right amount of shopping bags. Since this program was implemented two years ago, Wal-Mart Argentina has seen a 20 percent reduction in plastic bag use.
- In **Brazil**, Wal-Mart is making reusable bags affordable to everyone. In the last five years, through the "One More Item Per Bag" program, Wal-Mart Brazil has seen a 20 percent reduction in plastic bag use among its customers.
- In **Canada**, Wal-Mart has reduced plastic bag waste by 15 percent in the last year. It is doing this through improved recycling, offering affordable reusable bags and reducing the amount of plastic used in the manufacturing of its bags.
- In **Central America**, Wal-Mart gives away approximately 13,000 reusable bags each year. In Costa Rica, it has worked with vendors to ensure the large bags of rice and sugar are made with recyclable materials and handles, so once the customers consume the product, they have a free reusable bag.
- In **China**, Wal-Mart stores offer 15 different types of reusable shopping bags. Wal-Mart began working to reduce its plastic bag waste more than six months before the government ban on free plastic bags, by making reusable bags accessible and affordable.
- In **Japan**, in June 2007, as part of its Hummingbird Campaign, Seiyu began selling reusable bags that are replaced for free if they break. As of September 2008, on average, 46 percent of Seiyu customers use their own bags.
- In **Mexico**, Wal-Mart is offering a new reusable bag in its Supercenters and Superamas stores that costs one-third less than its current reusable bag. The company has seen a nine percent drop in plastic bag use in Supercenters, Superamas and Bodega Aurrerás in the last year.
- In **Puerto Rico**, Wal-Mart offers plastic shopping bag recycling in all of its stores. It offers reusable bags and has a comprehensive plan to gradually replace all its plastic bags with bags made from 100 percent recyclable materials.
- In the **United Kingdom**, ASDA has removed single use carrier bags from all of its checkouts. Since June 2008, ASDA has reduced the amount of plastic carrier bags used by its stores by 30 percent.
- In the **United States**, Wal-Mart estimates that since it first introduced reusable shopping bags last year, it has sold enough to eliminate the need for more than one billion plastic shopping bags. In October 2008, Wal-Mart will introduce a new reusable bag that sells for 50 cents. Recycling bins are also available in all of its stores.

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

###

**Clinton Global Initiative 2008
Plastic Bag Waste Reduction Q&A**

Q1. What is Wal-Mart's commitment?

Wal-Mart's goal is to reduce plastic shopping bag waste by an average of 33 percent per store by 2013. We think we can eliminate plastic waste equivalent to 9 billion bags per year from our existing stores alone.

Q2. What does that mean?

We want to decrease the number of bags we hand out and increase the number of bags we get back for recycling. Ultimately it's about reducing the amount of plastic bag waste in landfills and the environment. We are using a three pronged strategy of reduce, reuse, recycle. Within those areas, our different global subsidiaries have a menu of options to choose from, so they can decide what works best for those countries to reduce plastic bag waste.

Q3. How many bags does Wal-Mart use each year?

This goal is about eliminating plastic bag waste, which means we want to reduce the number of bags our stores hand out and increase the number of bags we get back for recycling. Wal-Mart operates a number of different formats in 14 different markets, so we have a lot of different size bags. That being said, we think we can eliminate plastic waste equivalent to 9 billion plastic bags per year from our existing stores along by 2013.

Q4. Why are you only reducing plastic bag waste by 25 percent in the U.S., when you are reducing it by 50 percent internationally?

In the U.S., plastic bags are more ingrained in the customer's shopping experience, and we don't underestimate the challenge of reducing the amount of plastic bag waste in our U.S. operations. Many of our international operations have been working on this issue longer, and we hope to gather best practices from those countries as we work to reduce the amount of plastic bag waste created by our global operations.

Q5. Why are you making this commitment?

At Wal-Mart, we believe that being an efficient and profitable business goes hand-in-hand with being a good steward of the environment. One of Wal-Mart's company-wide sustainability goals is to send zero waste to the landfill. We can make progress toward this goal by: reducing the number of plastic shopping bags we use; increasing the availability and affordability of reusable bags; and providing recycling solutions. These actions are expected to help reduce the amount of waste that ends up in the homes of our customers, in local landfills and as trash in the environment.

Q6. Is this a permanent commitment or is Wal-Mart only testing for a specified period of time?

Our commitment is to reduce plastic shopping bag waste by an average of 33 percent per store by 2013. Our long-term goal at Wal-Mart is to create zero waste. That being said, our plastic bag goal is part of our on-going efforts to continually reduce our waste. We believe that this commitment will help us set a new baseline for our waste reduction efforts in new and existing stores around the world.

Q7. How will Wal-Mart measure this goal? Does this account for expected store growth?

Wal-Mart's goal will be measured by bag weight. This number will be used to calculate the total reduction in plastic shopping bag waste, which will be defined as the weight of bags used minus the weight of bags collected for recycling at our facilities.

For existing stores as of January 1, 2008, the goal is an average 33 percent absolute reduction of plastic bag waste from the baseline by January 2013. Stores that open after January 1, 2008, will be expected to produce, on average, one-third less plastic bag waste compared to the average waste generated by that type of store today. These stores will have until 2013 to meet this goal.

Q8. Does Wal-Mart have a system in place to take these measurements from stores on a regular basis? How often will Wal-Mart measure its progress toward this goal?

Wal-Mart will measure progress towards our goal each year. The number used to calculate the total reduction in plastic shopping bag waste will be defined as weight of bags used minus the weight of bags collected for recycling at our facilities.

Q9. Was this decision made jointly with your suppliers? Did you receive and take into consideration input from your partners before making the commitment?

Wal-Mart's commitment was made in cooperation with our global business units, our suppliers of shopping bags around the world, and the Environmental Defense Fund.

Q10. Are you putting any plastic bag manufacturers out of business?

Wal-Mart works with several different bag manufacturers (as many as 7), so this commitment isn't expected to have a major impact on any one bag supplier. That being said, Wal-Mart is working with its bag vendors to help reach this goal. For example, we have redesigned our bags to make them smaller – in the U.S. alone this change saved 20 million pounds of plastic bag waste.

Q11. What value does this bring to Wal-Mart, the industry and the environment?

By halving the plastic shopping bag waste produced by existing stores globally, Wal-Mart estimates that it could help reduce energy consumption equivalent to 678,000 barrels of oil per year and help reduce CO₂ emissions by an estimated 290,000 metric tons per year - roughly the equivalent of taking more than 53,000 passenger vehicles off the road. By reducing the numbers of plastic shopping bags that end up as litter, our goal will also help preserve and protect marine habitats and reduce litter in parks and other open spaces.

Q12. What has been the reaction from your customers? Your associates? Do you expect any backlash from either?

Our customers and associates have really gotten behind our sustainability initiatives and we expect that they will embrace this new commitment to reduce plastic shopping bag waste by an average of 33 percent per store by 2013.

Since it was launched in October 2007, we have sold enough of our black reusable bags in the U.S. to eliminate the need for one billion disposable plastic bags. With the announcement today that we are introducing another reusable bag option (in the U.S.) – a blue bag that will retail for 50 cents – we can expect that our customers will only continue to embrace our efforts to make reusable shopping bags available and affordable to hundreds of million of customers of all income levels. By offering our customers the option to bring their groceries and purchases home in reusable bags, we are reducing the amount of plastic we use and reducing the amount of waste that ends up in the homes of our customers.

Q13. Will this commitment expand beyond the U.S. stores to Wal-Mart's global locations?

This is a global commitment. Wal-Mart's goal is to reduce global plastic shopping bag waste by an average of 33 percent per store by 2013 and builds on efforts already underway across our global operations. This new goal centralizes these efforts into one aggressive and comprehensive corporate target and encourages local-level creativity.

For example, in Argentina, cashier training on bagging efficiency has resulted in a 20 percent drop in plastic bag usage in the last two years. In Central America, Wal-Mart gives away approximately 13,000 reusable bags a year and in Puerto Rico, we have recycling bins for plastic bags in all of our stores.

Q14. Do you expect other U.S. retailers to follow suit and begin reducing plastic bag waste?

While we cannot speak for other U.S. retailers, we do know that by making the decision to reduce plastic bag waste and increase the availability and affordability of reusable bags, we have a great opportunity to positively impact all of our customers and our global supply chain.

In addition to our efforts, we're encouraged by the steps taken by some of our competitors to reduce their plastic bag use and distribution. The more people who commit to reducing plastic bag waste, the greater the effort to conserve natural resources, reduce harmful impacts on marine environments, and foster community-based sustainability practices through access to low-cost reusable bags and increased bag recycling.

Q15. Does this transition add any financial burden for Wal-Mart? Is this costing the company money?

As a company we spend millions of dollars each year purchasing plastic shopping bags. A significant portion of this expense will be channeled into efforts designed to achieve an overall reduction of global plastic shopping bag waste by an average of 33 percent per store by 2013. One such effort is increasing the availability and affordability of reusable bags. Selling reusable bags is good for our business because it reduces the number of plastic bags produced. More importantly, it benefits our customers. Not only can we pass these savings along to our customers, but by using a reusable bag, our customers can reduce the amount of waste that they generate. And by offering customers the option to purchase reusable bags, we hope we can encourage sustainable living in communities across the nation.

Q16. Why isn't Wal-Mart shifting to the use of more paper shopping bags?

Through our work with our environmental partners, we have found that recycled paper bags have a larger impact the environment than plastic bags. For example:

- Paper bags create a larger upstream footprint than plastic bags.
 - More energy, water and chemicals are required to create a paper bag.
 - More greenhouse gasses are created during the manufacturing of a paper bag.
- More energy is required to recycle a paper bag.
- Paper bags not only cost more than plastic bags, they cost more to transport to our stores.