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Wal-Mart Sets Sights on a Sustainability Index

The idea is to track opportunity and inspire business innovation.



Rand Waddoups converses with an attendee at the Product Stewardship Institute conference in Boston.

Wal-Mart is working with a group of about 150 people to devise a simple sustainability index for suppliers. Rand Waddoups, senior director for business strategy and sustainability, promises the initiative will not turn out to be an onerous data gathering process.

The attempt at Wal-Mart to boil down packaging solutions to a single environmental performance number raised the hackles of industry professionals (see [Packaging Industry Questions Wal-Mart Scorecard](#), 29 September 2007).

“We are not repeating the packaging scorecard,” Waddoups told an audience at the annual conference held by the Product Stewardship Institute. Waddoups says the index is partly about creating a vision within companies to grasp the opportunities presented by sustainable development. Once value is attached to data, the need to collect it will become part of a successful business formula, he maintains.

Although the initiative could be unveiled by the end of this year, Waddoups says the rollout of a sustainability index is a long-term proposition, with a horizon stretching out five years or more.

Waddoups also said Wal-Mart is on track to make its fleet of trucks 25% more fuel efficient by October of 2008. “We will meet that goal literally in that month,” he said. The three-year effort will add “tens of millions of dollars” monthly to the company’s bottom line.

As for the possibility of some day accepting products back in stores at the end of their useful lives, Waddoups says Wal-Mart would be willing to look at a proposal to participate in a pilot test in cooperation with the Product Stewardship Institute. But Waddoups said every retailer “has a horror story” about the outcome of accepting returns back from customers.

“This is a system problem,” he said, reflecting his and Wal-Mart’s view that there is no one silver bullet that can solve the sustainability challenge.

“When we talk about big systems we frequently become very Michael Porter-esque.” Waddoups says, describing an alternative view that millions of individuals making separate decisions can have substantive change across the product supply chain.

For more information contact Rand Waddoups, Wal-Mart, 702 SW 8th Street, Bentonville, AR 72716, USA. Tel: +1 479 277 8300; Fax: +1 479 277 5759; E-mail: rand.waddoups@wal-mart.com.

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