

### **Sustainable Business Practices**

### 'Force Of Nature: The Unlikely Story of Wal-Mart's Green Revolution'

How did the oft-maligned megastore come to embrace the environment? An interview with author Edward Humes.

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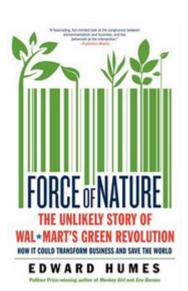


WIND POWER:

A Massachusetts Wal-Mart has wind turbines in its parking lot. (Photo: ZUMA Press)

The following Q&A was provided by HarperCollins, publisher of <u>"Force of Nature: The Unlikely Story of Wal-Mart's Green Revolution."</u>

Q: Wal-Mart has gotten notoriously bad press over the years: low wages, putting mom-and-pop stores out of business, accelerating the outsourcing of American manufacturing to



## keep prices low. Is this newfound corporate social responsibility just a public relations ploy?

Edward Humes: That's the question everyone wonders about: Is this for real? I was deeply skeptical myself at the outset, not least because much of the Wal-Mart criticism over the years has been richly deserved. It's no coincidence that this sustainability push began in 2004, when Wal-Mart's public reputation was at an all-time low and the company was desperate to find some way to improve its image. But then something unexpected happened: The first, small forays into more planet-friendly practices — reduced packaging on a single child's toy, more fuel-efficient trucks, energy-saving measures in stores and warehouses — ended up saving millions of dollars. Suddenly the idea of being green stopped falling under the costly "social responsibility" side of the Wal-Mart ledger, and started falling under the category of lean, mean, beat-the-competition business strategies. So Wal-Mart's commitment to sustainability is indeed for real. Such stalwart environmentalists and former Wal-Mart critics as Yvon Chouinard, founder of the Patagonia company, and Jeff Hollender, founder of green product maker Seventh Generation, were sufficiently convinced of Wal-Mart's sincerity to begin working with them.

#### In what key areas has Wal-Mart increased sustainability? How?

The main areas have been packaging, energy, waste reduction, transportation, and pushing suppliers, including China, to become more sustainable. This may sound daunting, but much of it turns out to be commonsense. Why ship infant car seats in great big cardboard boxes that quickly fill up a truck when a reusable drawstring bag can do the job just as well — allowing the seats to be nested to take up less space while shipping? Why let your 8,000 big rigs (the largest trucking fleet in the nation) suck millions of gallons of fuel while parked and idling when you can install gas-sipping auxiliary power units that will save you millions of dollars every year? Wal-Mart, which always prided itself as efficient, found shocking amounts of waste within every part of its business that hurt both planet and profits.

# Doesn't the very notion of green products — organic, nontoxic, sustainable — run counter to Wal-Mart's lowest prices policy?

Cheap and dirty don't have to go hand in hand (though they often do). In some cases, Wal-Mart's huge scale has allowed it to "democratize" sustainability — offering normally premium green products at low prices, such as organic free-trade coffee at half the usual price, inexpensive organic cotton baby clothes, or cutting the cost of energy-saving compact fluorescent bulbs. Wal-Mart can use its clout with manufacturers to insist on less toxic, healthier products, which it is (slowly) doing. A bigger challenge is a shift away from focusing on purchase price in favor of emphasizing the lifetime value and cost of ownership of a product — something Wal-Mart has discussed, but not yet figured out.

# What is Wal-Mart's connection to the dairy industry's "cow of the future" project? What will it mean for the future of dairy?

The primary importance of Wal-Mart's sustainability efforts is the influence they are having on other industries, from banking to apparel to agriculture. Wal-Mart, by its example, has made it impossible for business leaders to maintain the old argument that sustainability and green are just too costly to pursue. One of the first industries to embrace Wal-Mart's ideas has been the American dairy industry, which is in the midst of an experiment dubbed "Cow of the Future." Livestock are a major source of greenhouse gas emissions — cow burps are nearly pure methane,

a major driver of climate change. The cow of the future project is experimenting with different feeds, breeds and vaccinations to make dairy cows less gassy and their milk more nutritious. These projects would never have been pursued had Wal-Mart not blazed the trail.

#### Can a company like Wal-Mart ever be truly green?

Not the Wal-Mart we know today. So much of our economy, our suburban landscape, our highway system, our culture and our shopping patterns are based on the post-World War II, 20th century belief in limitless growth, limitless cheap oil, limitless expanses of clean air, water and land, and technology's limitless potential to create more food, energy and prosperity. That's the world that spawned business models like Wal-Mart's, where it made economic sense to import toothpaste and computer chips and baby toys from China while transforming America from a country that made things into a country that buys things other people make. Now, rather late in the day, we have found all those resources we carelessly considered limitless are, in fact, frighteningly limited, that the old model no longer makes sense, and that big changes are in store whether we prepare for them or not. The efforts by Wal-Mart and other businesses to become more sustainable are vitally important and noteworthy, but they are the equivalent, as green architect Bill McDonough says, of slowing down a car that's headed in the wrong direction. These efforts buy us time, but ultimately, we'll have to turn the car around and head the other way in order to save the day. So a truly green Wal-Mart would be an entirely reimagined Wal-Mart.