

General CDP Q&A

PRE-ANNOUNCEMENT QUESTIONS

1. What partnership is Wal-Mart launching with the CDP?

Wal-Mart has been working closely with the CDP to report our carbon footprint for the past two years. We are honored to have been selected for CDP's Climate Disclosure Leadership Index and to participate in the upcoming CDP launch event on Monday, September 24. If you are interested in attending the event please contact Joanna Lee at CDP.

2. What is the relation to climate change?

The CDP is the leading secretariat for carbon emissions data and maintains the most comprehensive database of corporate strategies to impact climate change. This is the second year Wal-Mart has participated in the CDP filing process and we are honored to be recognized as a leader in carbon reporting. Our climate change initiatives include improving the fuel efficiency of our trucks; making our stores, Clubs and distribution centers more energy-efficient; reducing packaging and waste, and much more.

3. Does this mean Wal-Mart is announcing another scorecard?

No. At this time Wal-Mart will not be announcing a scorecard related to carbon. Beyond that, if you would like to hear the announcement live, please contact Joanna Lee at CDP. We will also be hosting a media conference call at 1 p.m. EDT, 12 p.m. CDT following the event.

POST-ANNOUNCEMENT QUESTIONS

1. What announcement was made at today's event?

Wal-Mart announced a partnership with the Carbon Disclosure Project to measure the amount of energy used to create our products throughout our supply chain and encourage suppliers to reduce greenhouse gas emissions. The partnership includes a pilot project with a group of suppliers to look for new and innovative ways to make the entire process more energy efficient. The CDP partnership and supplier pilot project are in-line with the Sustainability 360 approach to help us extend sustainability to products, suppliers, associates, communities and customers.

2. Why have you decided to measure the carbon footprints of products?

In 2006, Wal-Mart participated in the CDP 4 by disclosing its carbon emissions footprint worldwide. We recognized that although increasing the transparency and visibility of our carbon footprint was an important step, we also had a responsibility to consider the energy used throughout our supply chain.

3. Wal-Mart sells products. Why should it measure carbon emissions?

In looking critically at sustainability, we're finding opportunities throughout the entire supply chain to measure the energy used to create the products we sell and monitor greenhouse gas emissions. We have seen numerous innovations arise from the sustainability initiatives underway in our stores, Clubs, operations, fleet, products and more. We are finding opportunities for cost-savings and want to spur more innovation within our supply chain, while learning about our indirect worldwide footprint.

4. Why did you partner with CDP?

CDP is a highly respected and credible organization that collects annual carbon emissions data from many of the world's largest corporations. CDP was a natural partner because of its proven expertise in collecting carbon emissions data. The benefit of the CDP's data collection approach is that it uses narrative responses, which permit respondents to explain their energy footprint in their own words. Companies can also choose whether to make the information public or private.

5. Will this pilot project lead to a scorecard?

Whether a scorecard is the right approach, we're not sure. At this point we are focusing on transparency, learning and partnership. We are still struggling to answer many tough questions including how far back into a product's lifecycle we should look, the impact of transporting products and the impact of consumer use. We believe it is important to understand the lifecycle of a product, but we also recognize the limitations in doing so.

6. Would a scorecard put an additional financial burden on suppliers?

We believe that measuring the sustainability of products can drive innovation and efficiency throughout the supply chain, thereby saving money. Since we are taking a complete lifecycle view versus looking at the absolute cost of measuring footprints, we believe the opportunities for improvement can reduce the total cost to the system.

7. Will this impact customers?

We view the partnership and pilot project as an opportunity to spur innovation and drive efficiency throughout our entire supply chain. By having a better understanding of the energy used to create the products we sell and the suppliers who make them, we can help protect the environment and save people money at the same time.

8. Do you plan to use the information for carbon labeling?

We do not plan to use the information gathered for carbon labeling of products. We believe in saving customers money so they can live better, and one great way to do that is by producing and transporting products more efficiently.

9. Can you give some examples of suppliers you are working with?

Our pilot project includes suppliers in seven categories: DVDs, toothpaste, soap, beer, milk, vacuum cleaners and soda. We are grateful to all of the suppliers who have elected to participate so far. Some of the pilot project

participants include NewsCorp's Fox Home Entertainment, Coca-Cola, Dean Foods, Oakhurst Dairy and Bissell.

10. Specific examples?

- a. **News Corp.'s Twentieth Century Fox Home Entertainment** initiated a supply chain analysis of the carbon impact of the production, manufacture and distribution of its DVDs. More than twenty of Fox's key suppliers embraced the study by supplying detailed information on their energy use and greenhouse gas emissions. An intriguing outcome of Fox's DVD analysis was the eagerness among suppliers to engage in discussions regarding their own emissions and initiate projects to both reduce their climate impact and save money. The DVD analysis created an industry standard for measuring the carbon impact of DVDs and instructed the methodology for other consumer packaged goods. Additionally, Fox's results have spurred conversations with other studios about potential collaboration on efficiency projects.
- b. **Oakhurst Dairy** decided to participate in the Wal-Mart/CDP pilot program to help customers by improving efficiencies and driving down costs. Through this process, Oakhurst has recognized the scope of the effort that is necessary to pull industries together in an effort to compile accurate, meaningful footprint information and then use the learnings to formulate strategies and take action to effect real progress in reducing greenhouse gas emissions. Oakhurst has long been recognized as a leader in its region for positive environmental action in areas such as: planting over 5,000 trees; continuous re-routing of its distribution system to reduce fuel usage; the use of GPS monitoring units in tractors to eliminate idling time; the purchase of hybrid cars; transitioning to high-efficient lighting throughout its facility; the use of biodiesel fuel by its fleet; and participation in Maine's "Governor's Carbon Challenge." Participation in this pilot has helped Oakhurst promote efforts to reduce greenhouse gas emissions at the farms from which they purchase. At its plant facility, Oakhurst will be installing 96 solar collectors to supply hot water during the first half of 2008, as well as a heat recovery system for the milk case washing machine. Some of the challenges faced when conducting the audit were with suppliers who did not have energy information readily available, but the company is looking for ways to get better, more accurate data in the future.
- c. **Coca-Cola** found that partnering with Wal-Mart to study its carbon footprint reinforced the emission reduction potential in their packaging supply chain. Earlier this month, Coca-Cola set a goal to recycle or reuse 100 percent of its plastic bottles in the US – this is Coca-Cola's version of Wal-Mart's Zero Waste commitment. The new bottles are going to use 5% less plastic. To help increase collection of used bottles and cans their largest bottler, Coca-Cola Enterprises, has created Coca-Cola Recycling LLC (CCR). CCR will establish 9 recycling centers in the US this year and add

another 35 in 2008. Coca-Cola is investing \$6 million in another recycling company called RecycleBank. RecycleBank operates curbside recycling programs in Philadelphia, New Jersey and Delaware and provides consumers with incentives, such as coupons, to encourage consumer participation. It has helped boost the recycling rate in Philadelphia to 50% from 15% since 2003. Additional cities will be added over the next year in NY, VT and MA. Coca-Cola has plans to increase use of recycled materials via bottle to bottle and sale of branded merchandise. They plan to build the largest plastic bottle-to-bottle recycling facility in the world with United Resource Recovery in Spartanburg, SC that will produce 100 million pounds of food-grade recycled PET. The facility will open in 2008 and when fully operational will produce the equivalent of two billion 20 ounce PET bottles made from old bottles. Over the next 10 years this facility will eliminate one million metric tons of carbon dioxide emissions – the equivalent of removing 21,500 cars from the road.

- d. **Bissell** eagerly embraced the energy scorecard development process when Wal-Mart first offered the opportunity in July. BISSELL has a number of internal environmental initiatives underway and the energy scorecard provided the impetus to delve into this issue more deeply. The most interesting outcome of the audit was the conclusion. It quickly became apparent that the biggest contributors to greenhouse gas emissions came from the energy sources themselves and not the manufacturing process. The biggest challenges in performing this audit were the short timeline and gathering reasonable data from our tier 1 and tier 2 foreign suppliers. They were successful, however, once Bissell framed the questions in simple terms and asked for easily understood data. While they are very confident in the data that came from internal sources, they believe that an audit and site visit to the suppliers in our study is needed to gain confidence in the data as a whole. Furthermore, Bissell believes they can dig deeper into their own operations and quantify other energy uses (such as employee travel, commuting costs, intra-facility transportation costs, etc) to further improve the quality of data. Furthermore, Bissell will continue to push its transportation suppliers to provide clean and energy efficient fleets.

11. What is the Carbon Disclosure Project (CDP)?

The Carbon Disclosure Project (CDP) provides a secretariat for the world's largest institutional investor collaboration on the business implications of climate change. CDP represents an efficient process whereby many institutional investors collectively sign a single global request for disclosure of information on greenhouse gas emissions. More than 1,000 large corporations report their emissions through CDP each year. CDP is the largest and most comprehensive database of strategies from the world's largest corporations regarding the impact of climate change on shareholder value.

CDP was launched on December 4, 2000, at No. 10 Downing Street. The first cycle of the project (CDP 1) involved sending a letter and questionnaire to the FT500 largest companies in the world on May 31, 2002. This letter was signed by 35 institutional investors who collaborated to provide an efficient mechanism for disclosure of the information.

The CDP 5 information request was signed by more than 280 institutional investors with assets of more than \$41 trillion and sent on February 1, 2007 to 2,400 companies.

WAL-MART'S CDP FILING

1. What is contained in Wal-Mart's CDP filing?

Wal-Mart's CDP filing outlines our strategies for addressing greenhouse gas emissions as well as an accounting of our emissions. In 2006, Wal-Mart's global GHG footprint was 20.3 million metric tons.

2. Wal-Mart's footprint was 18.8 million tons in 2005. Why did this number rise?

As with most thriving businesses, our carbon footprint increase was comparable to our overall growth. Growth is what allows us to innovate, become more efficient and ultimately reduce or carbon footprint.

3. What steps is Wal-Mart taking to reduce its carbon footprint?

Wal-Mart is moving aggressively to reduce its carbon footprint and we are committed to reducing greenhouse gases at our existing stores, Sam's Clubs and Distribution Centers around the world by 20 percent by 2012.

Wal-Mart has a number of initiatives in place to reduce greenhouse gas emissions.

In May 2007, we announced a major purchase of solar power that will provide renewable energy to 22 stores and reduce greenhouse gas emissions by an estimated 6,500 to 10,000 metric tons per year. When fully implemented, our aggregate purchase could be one of the nation's – if not the world's - largest solar power purchases ever.

Another example is our High-Efficiency Supercenters (HE Stores). In January and March 2007, we opened the first two in a series of HE Supercenters in Kansas City, Mo., and Rockton, Ill. These HE stores are expected to use 20 percent less energy than a typical Supercenter. We also plan to make all of our stores 30 percent more efficient by 2012. Increasing our energy efficiency reduces dependence on oil, lowers greenhouse gas emissions and saves money.

4. How does Wal-Mart feel about being included in the Climate Disclosure Leadership Index?

Wal-Mart is honored to be one of 68 companies selected to be a part of CDP's Climate Disclosure Leadership Index. As a company committed to

environmental sustainability, we are working to make our stores and fleet more efficient, creating less waste, and selling sustainable products like local foods and compact detergent. We are pleased that the CDP has recognized these efforts and look forward to continuing to work together in the future.