

Wal-mart Stores, Inc. (Walmart)

ACKNOWLEDGE
 PRIORITISE
 SET STRATEGY & GOALS
 TRACK

GHG EMISSIONS



Background on Walmart

Walmart is a multinational retail corporation that operates over 11,000 hypermarkets, discount department stores, and grocery stores in 28 countries. It was founded in 1962 and is headquartered in Bentonville, Arkansas. Walmart employed over 2.4 million people globally and reported annual revenues of US\$482 billion in 2015. It is a publicly traded company listed on the New York Stock Exchange.

How did Walmart come to start thinking about context?

The origins of Walmart's sustainability strategy can be traced back to the company's reflections on the impacts of Hurricane Katrina on the city of New Orleans in September 2005. A month after Katrina, the then CEO and President of Walmart, Lee Scott, publicly set out the foundations for the future direction of sustainability for Walmart¹. Katrina prompted Walmart to consider the question "What if we used our size and resources to make this country and this earth an even better place for all of us: customers, associates, our children, and generations unborn?"²

During [COP21](#) in 2015, Kathleen McLaughlin, President Walmart Foundation, commented that "We believe climate change is an urgent and pressing challenge, and it is clear that we must all do our part to reduce, avoid and mitigate the impact of rising greenhouse gas levels. That's why we support the UN's call for the U.S. corporate sector to commit to science-based targets to reduce emissions³." In November 2016, Walmart took the next step in acting on this statement

¹ The Guardian (2015). Walmart is slapping itself on the back for sustainability but it still has a way to go. Accessed at: <https://www.theguardian.com/sustainable-business/2015/nov/18/walmart-climate-change-carbon-emissions-renewable-energy-environment>

² Walmart (2005). Press Release: Twenty First Century Leadership. Accessed at: <http://news.walmart.com/executive-viewpoints/twenty-first-century-leadership>

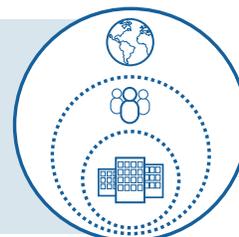
³ Science Based Targets (2015). Companies Commit to Set Ambitious Science-Based Emissions Reduction Targets, Surpassing Goal. Accessed at: <http://sciencebasedtargets.org/2015/12/08/114-companies-commit-to-set-ambitious-science-based-emissions-reduction-targets-surpassing-goal/>

when it unveiled a series of 2025 goals at the [Net Impact conference](#) in Philadelphia⁴. During this announcement, Walmart announced that it would be implementing a revised GHG emissions reduction plan supported by the development of a contextual GHG emissions goal⁵.

What does context look like at Walmart?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



GHG emissions: In 2016, Walmart CEO Doug McMillon advised business leaders to ignore those who dismiss the science of climate change⁶. Walmart acknowledges “that we all must do our part to limit the increase in global temperature to no more than 1.5 degrees Celsius” and that it is “working hard to be part of the solution and aggressively pursuing our energy and emissions reduction goal⁷.” Walmart has also committed to exploring ways in which it can better engage with its value chain to support their adherence to the limits of this threshold⁷.

Other thresholds: Walmart acknowledges the importance of other socio-ecological issues including energy, water, human rights, diversity and equality but does not yet discuss them with reference to thresholds.

2 Transparently understand and PRIORITISE a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS



Walmart appears to use what we call a ‘classic’ materiality approach whereby it engaged with its stakeholders to understand their perspectives on how the company could improve the effectiveness and relevance of its environmental initiatives through the socio-ecological issues it prioritises⁷.

⁴ GreenBiz (2016). Inside Walmart’s 2025 sustainability goals. Accessed at: <https://www.greenbiz.com/article/inside-walmarts-2025-sustainability-goals>

⁵ Walmart (2016). Press Release: Walmart Offers New Vision for the Company’s Role in Society. Accessed at: <http://news.walmart.com/2016/11/04/walmart-offers-new-vision-for-the-companys-role-in-society>

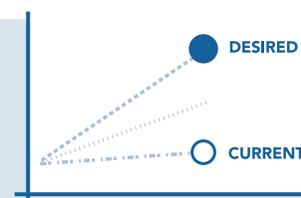
⁶ Climate Change News (2016). Walmart CEO in Davos: Ignore climate sceptics. Accessed at: <http://www.climatechangenews.com/2016/01/20/walmart-ceo-in-davos-ignore-climate-sceptics/>

⁷ Walmart (2016). Global Responsibility Report – Reducing energy intensity and emissions. Accessed at: <http://corporate.walmart.com/2016grr/enhancing-sustainability/reducing-energy-intensity-and-emissions>

GHG emissions: Walmart has yet to clearly outline the reasons why it has prioritised this specific ecological issue but it does explain that the biggest impact it has on this threshold arises from electricity use within its stores and from agricultural processes used to create some of its products⁷. Other sources of GHG emissions highlighted by Walmart include refrigeration systems and its fleet of transport vehicles⁷. It has also yet to outline if it intends to expand its sphere of influence with respect to this ecological issue to its value chain.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



GHG emissions: Walmart has committed to reduce its absolute emissions by 18% by 2025, from a 2015 baseline⁸. While this GHG emissions goal is contextual, using the criteria of the [Science-Based Targets](#) initiative, the company has not yet outlined the assumptions and rationale it used while developing this goal. Walmart has also commitment to work with its value chain and its customers (scope 3 emissions) to reduce GHG emissions arising from both manufacturing and use of its products by one billion tons between 2015 and 2030^{6, 8}. Walmart has also been working with the [Sustainability Consortium](#) to support the development of scientific research, standards, and IT tools that can help retailers better identify environmental implications across products lifecycles⁹. In addition, Walmart has been collaborating with suppliers on the [Sustainability Index](#) scores as a way to support them in tracking their progress towards reducing its own GHG emissions¹⁰.

Other thresholds: Walmart has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



GHG emissions: Walmart has a history of reporting its performance against this threshold⁷. It has not yet used this data to develop a realistic set of trajectory targets that could be used to monitor its progress towards achieving its 2025 goal. It has also yet to set a goal that includes how it will influence its value chain in adhering to the limits of this threshold.

⁸ Science-Based Targets (2016). Press Release: Walmart's Science Based Target: A Game Changer. Accessed at: <http://sciencebasedtargets.org/2016/11/04/walmarts-science-based-target-a-game-changer/>

⁹ PWC (2012). Driving CO2 out of the supply chain and off retailer' shelves. Accessed at: <https://www.pwc.com/gx/en/retail-consumer/assets/pwc-driving-carbon-from-the-supply-chain.pdf>

¹⁰ Walmart (2015). Press Release: Walmart Marks Fulfillment of Key Global Responsibility Commitments. Accessed at: <http://news.walmart.com/news-archive/2015/11/17/walmart-marks-fulfillment-of-key-global-responsibility-commitments>

Other thresholds: Walmart reports its performance against other socio-ecological issues including energy, water, human rights, diversity, and equality but does not yet report its progress in relation to their associated thresholds.

What is the road ahead for context at Walmart?

The announcement of the new 2025 goals was made in November 2016, after the release of Walmart's most recent sustainability report, and so these new goals and the associated policies have yet to be reflected in the company's formal sustainability reporting⁴. At the launch, Doug McMillon stated that these new goals were part of "a new era of trust and transparency" for the retailer⁴.