Wal-Mart Pushes Suppliers To Drop Greenhouse Emissions

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NEW YORK (AP) — Wal-Mart Stores Inc. wants its suppliers to reduce 20 million metric tons of greenhouse gas emissions by the end of 2015.

The world's largest retailer's push goes beyond its efforts to date to reduce its own emissions by designing more energy-efficient stores and pursuing alternative fuels for its fleet of trucks.

The goal is equivalent to taking 3.8 million cars off the road for a year, the company said.

Wal-Mart is collaborating with the Environmental Defense Fund and other environmental experts to measure reduction. It said it won't force suppliers to make changes but will work with them on projects that will reduce both emissions and costs.

In the past few years, the company has been working with suppliers to reduce packaging, which has translated into such changes as more concentrated detergent products and toothpaste that's no longer in a box.

Wal-Mart CEO and President Mike Duke said Thursday that the company needs to push for greater efficiency to maintain a competitive edge as it expands globally amid higher energy costs. The 20 million metric tons represents one and a half times the company's estimated global carbon footprint growth as it expands over the next five years.

"To me, this is a big step forward and a big deal," said Dan Lashof, climate center director at The Natural Resources Defense Council.

While it's no substitute for legislation, he said, Wal-Mart's pull with suppliers and massive size can "drive down the cost premiums" for energy-efficient products, putting them in more American homes.

Wal-Mart has more than 100,000 suppliers and generated sales of more than $400 billion last year. Its massive size gives it tremendous influence among makers of all kinds of products — muscle that gives its efforts a chance for wider adoption that other retailers might not have.

A spokeswoman for Procter & Gamble Co. said Thursday that the world's largest consumer products company has been working with Wal-Mart on its environmental efforts and P&G's own sustainability plans.

"Those are the kind of projects we've already been working with them on," Rotha Penn said in Cincinnati. "We've been linking with their work."

The move is also about saving costs as energy prices rise.

"We need to continue to build stores and add retail selling space. Yet we know we need to get ready for a world in which energy will only be more expensive and there will only be a greater need to operate with less carbon in the supply chain," Duke said.

Consumers will benefit because reduced costs will translate into lower prices, Duke said.

Wal-Mart's efforts are ahead of climate legislation that is being debated in Congress that would require companies to reduce greenhouse emissions.

Elizabeth Sturcken, managing director and corporate partnership for the Environmental Defense Fund, said she is unsure what Wal-Mart's total supply chain's emissions of greenhouse gases are, only that it's quite bigger than Wal-Mart's own.

"Wal-Mart is doing quite a bit reducing its own emissions." She also said, "It could be doing a lot more."

Wal-Mart said that it has already been working with suppliers of flat-screen TVs and DVDs to cut down emissions but it is now looking at other opportunities like food and clothing. Matt Kistler, Wal-Mart's senior vice president of sustainability, said clothing could be made to be washed in cold water instead of hot water. The company is also looking at produce that is locally grown to reduce transportation costs.

Overall, Wal-Mart is working with those suppliers to reduce emissions from any part of the product's life cycle. That could include sourcing the raw materials, manufacturing, transportation, the use of the product or the disposal.

Thursday's announcement follows Wal-Mart's move, unveiled in July, that it would develop eco-ratings for products it sells.

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