Attention, Walmart Shoppers: Clean-up in Aisle Nine

The biggest retailer and its suppliers confront how to rate the sustainability of all consumer goods.

BY KATE ROCKWOOD

All in a Row This Arkansas Walmart offers a snapshot of the sustainability challenge.

ACTIVITY AND SKEPTICISM have been the first by-products of Walmart's audacious plan to create a label that would tell a shopper the environmental toll of every product it sells, from the greenhouse-gas emissons of an Xbox to the water used to produce your Sunday bacon.

The first part of Walmart's three-phase plan—a 15-question survey asking its top suppliers to pony up info on the current state of their sustainability efforts—was completed in October. Walmart began meeting with vendors, industry by industry, to discuss the next steps last month, and scientists are now starting trials to get a handle on what this labeling system might look like. "We're on the cusp of a major transition in the marketplace of what consumers demand to know and producers have to tell," says Dara O'Rourke, CEO of GoodGuide, which independently rates the health, safety, and environmental impact of 50,000 consumer products. Even though Walmart execs have said that its index won't be ready before 2013, the early discussions reveal just how roiling this initiative will be.

Although Walmart is framing its Sustainability Index as something positive for both consumers and companies, Matt Kistler, senior vice president of sustainability, acknowledges that "it is creating a new level of competition in ways that, historically, manufacturers have not competed. And when it comes down to it, it's going to be an algorithm that creates a score, and it will reward some suppliers better than others." Consumers won't be the only ones selecting or snubbing products based on their scores; Kistler confirms that high-scoring products will earn preferential treatment—and likely more shelf space—in Walmart stores.

Last October's survey added to companies' concerns. It touched on everything from investments in community-development activities to water-use-reduction targets, and "there's a wide variance of how prepared suppliers are to answer these questions," says Kyle Tanger, president and CEO of carbon-management firm ClearCarbon, who guided a number of companies through the questionnaire. More than 1,000 companies responded, according to Kistler, "the vast majority" of those asked. That said, analysts estimate that just 10% of Walmart suppliers are prepared to measure and report their sustainability.

To persuade 100,000-plus firms to spend the time and money tracking and lessening their environmental impact—and to get buy-in from the scientific community and the government—Walmart has tried to minimize its own influence over the project. It created an independent Sustainability Consortium, and while the Bentonville behemoth has a seat at the table, so do NGOs, government agencies, suppliers, other retailers, and researchers. "This has to be more than Walmart or it won't achieve standardization," says Jay Golden, codirector of the Sustainability Consortium, who has worked in environmental enforcement at the federal and state levels and has a PhD in sustainable engineering.

The consortium has attracted everyone from Monsanto to Disney, Seventh Generation to the EPA. To help

Green Giants **Early progress from four Walmart Sustainability Consortium members**

One-third of **Frito-Lay** factories are now "zero landfill" and another third will be so in 2010.

Unilever has reduced its water use by 63% and its CO_2 emissions by 39% since 1995.

Disney visits 3,500 factories each year to inspect worker-safety and labor practices.

General Mills has reduced packaging in Yoplait yogurt by 20%, saving 1,200 tons of plastic every year.

Brent Humphreys/Redux

manufacturers innovate more quickly and cheaply and to make life-cycle assessment an easier feat, it is currently developing a tool called Earthster. The open platform will pool existing databases and models, then tap participants to share data and research so companies can mine ideas.

But companies are just beginning to grapple with the big questions. "One fear is figuring out who gets to prioritize the different pieces of sustainability," says Karen Hamilton, VP of vitality and environment at Unilever, a consortium member. "Who's to decide if greenhouse-gas emissions are more pressing than water conservation?"

The labels could be designed so that consumers would be the ultimate decision makers. "We've been thinking of nutritional labels as a proxy," Kistler says, with carbon emissions, water use, and solid waste displayed like calories, fat, and sodium. Other ideas being considered: a minimum-standard, organic-style seal; a terror-alert-style color code (level-orange dish soap!); and a 100-point scale for judging a 26-point breakfast cereal against a 73-point one.

Chemical-intensive products (such as household cleansers), electronics, and food will be the first three trial categories this winter; the consortium will attempt to apply scoring and solicit feedback. "We thought about doing this in a traditional, academic fashion, picking one category and studying it to the nth degree, but as a society we can't take a long time to get it 100% spot-on," Golden says. Gannon Jones, VP of portfolio marketing at Frito-Lay, says, "There's definitely the hope that the Sustainability Index can help shoppers compare companies' level of commitment and push manufacturers."

"Who's to decide if greenhouse-gas emissions are more pressing than water conservation?" asks Unilever's top green exec.

More bluntly: When every package is awash in claims of using less plastic and water, a standardized measure would separate sustainability lightweights from products that truly deserve their green halo. FC

In the Sand

What the developing world needs to fight climate change is good governance.

Battle Front
Senegal hopes to stave off the Sahara's advance with acacia trees.

Christian Aslund/Lonely Planet Images

With the failure of the world to agree on a holistic plan to halt climate change, talk is turning to how to buttress ourselves against its effects. The industrialized world's early measures are relatively straightforward, if piecemeal: tougher levees, genetically hardened crops, better emergency response. But in the poorer parts of the globe—the World Bank estimates that adapting to climate change will cost developing countries up to $100 billion a year—the plans, when they exist, are both more urgent and more elusive.

Case in point: Senegal's plan to halt the spread of the Sahara, which typifies the grand eco-schemes we can expect to see more of. President Abdoulaye Wade's proposal is as bold as it is simple. He wants to plant a trans-African strip of forest 15 kilometers wide and 7,000 kilometers long—"a new 'green lung,'" he calls it—to hold back the dunes. It's among the more sweeping yet least intrusive geoengineering proposals in the developing world, yet that doesn't mean it has much chance of succeeding.

So far, Wade's "Great Green Wall" has produced only a few stretches of acacia shrubs and lots of derision. As a temporary jobs program—half of Senegal's population lacks work—it has some potential for immediate impact. But such megalithic projects in Africa have a history of failure. "It's a top-down approach that is not likely to be successful," says Jozias Blok, a European Commission policy officer in charge of sustainable land management. "The local community might participate because they get money or work, but they will not be motivated to maintain the trees." Even if the "Green Wall" went up, there's little assurance that it wouldn't soon crumble.

What the developing world needs is not a wall of trees but a different sort of climate change: a transformation of governance, with stronger institutions, better leaders, and smarter management of funds and natural resources. "The best resilience strategy is development," says Jonathan Jacoby, senior policy adviser at Oxfam America.

In a climate-stressed world, that will become even clearer. (Cue headlines about the next cyclone or drought-induced famine.) Protecting the world's most vulnerable countries means building them up so that when the CO_2 hammer falls, they're ready to withstand it. Obviously that task seems enormous and frighteningly complex, but the easy answers died out long ago. Call them victims of climate change.

—*STEPHAN FARIS*