

# Wal-Mart Unveils “Packaging Scorecard” to Suppliers

## *PACK EXPO Keynote Address Details and Demos Company’s Packaging Metrics*

**Attention:** See "Related Resources" below to download today’s keynote address and Q&A session at PACK EXPO International

**\*Note:** Fast forward to minute 11:00 in order to start at the beginning of the presentation

**CHICAGO, November 1, 2006** – Wal-Mart Stores, Inc. today released a packaging scorecard to continue its commitment of reducing packaging across its global supply chain by 5 percent by 2013, helping Wal-Mart and its suppliers improve packaging and conserve resources. The company first announced this packaging initiative at the Clinton Global Initiative in New York City in September 2006, but did not reveal the specific metrics until today’s PACK EXPO keynote address, “The Wal-Mart/Sam’s Club Packaging Vision.”

“We at Wal-Mart recognize that we have unique strengths and a unique opportunity to have a positive impact on the environment through our own actions, those of our customers, and those of our suppliers,” said Matt Kistler, vice president of package & product innovations for Sam’s Club. “As vital as the packaging initiative is to reaching our environmental goals, it is also very good for our business and our suppliers’ business.”

Wal-Mart’s packaging scorecard is a measurement tool that allows suppliers to evaluate themselves relative to other suppliers, based on specific metrics. The metrics in the scorecard evolved from a list of favorable attributes announced earlier this year, known as the “7 R’s of Packaging”: Remove, Reduce, Reuse, Recycle, Renew, Revenue, and Read. Through months of consultations, the Packaging Sustainable Value Network, a group of 200 leaders in the global packaging industry, including suppliers, experts, and internal and external stakeholders, outlined the following metrics for the packaging scorecard:

- 15% will be based on GHG / CO2 per ton of Production
- 15% will be based on Material Value
- 15% will be based on Product / Package Ratio
- 15% will be based on Cube Utilization
- 10% will be based on Transportation
- 10% will be based on Recycled Content
- 10% will be based on Recovery Value
- 5% will be based on Renewable Energy
- 5% will be based on Innovation

These criteria are valuable tools for suppliers to determine how their packaging innovations, environmental standards, energy-efficiencies and use of materials match up against those of their peers. Suppliers will receive an overall score relative to other suppliers, as well as relative scores in each category. For example, a supplier may find it is in the 50th percentile in the Cube Utilization category for effectively using space in pallets and shipping containers, but that same supplier may only be in the 20th percentile in Recycled Content. This model gives suppliers the opportunity to focus on specific changes within the context of a fluid environment, driving constant change and improvement in the supply chain.

“The packaging scorecard is a great tool for Wal-Mart to run a more efficient business, but also has significant benefits for its suppliers,” said Ben Miyares, vice president of industry relations for the Packaging Machinery Manufacturers Institute (PMMI) who hosted PACK EXPO. “This company is showing real leadership by introducing a tool and a process to get tangible results toward an ambitious goal.”

Today’s announcement is the next in a plan to reach a 5 percent packaging reduction across Wal-Mart’s supply chain by 2013. In addition to preventing millions of pounds of trash from reaching landfills, it will save energy and reduce emissions. Starting today, more than 2,000 private label brand suppliers will gain access to the packaging scorecard, including the ability to input information and measure their performance against competitors. For all other suppliers, an automated online demonstration is available at [www.scorecardlibrary.com](http://www.scorecardlibrary.com). An additional website, [www.marketgate.com/packaging](http://www.marketgate.com/packaging), showcasing the Packaging Supplier Virtual Trade show, will also go live today to help product suppliers find packaging suppliers who can help them make improvements and conserve resources more effectively.

On February 1, 2007, Wal-Mart will share the packaging scorecard with its global supply chain of more than 60,000 suppliers. During a one year trial period, suppliers will be able to input, store and track data, learning and sharing their results as desired. As of February 1, 2008, Wal-Mart will begin using the packaging scorecard to measure and recognize its entire supply chain based upon each company’s ability to use less packaging, utilize more effective materials in packaging, and source these materials more efficiently relative to other suppliers.

“We are encouraged by the positive response from our suppliers and are looking forward to continuing this collaboration,” added Kistler. “We have an opportunity to make a real positive impact and inspire change across the packaging industry.”

#### **About Wal-Mart Stores, Inc.**

Wal-Mart Stores, Inc. operates Wal-Mart discount stores, SuperCenters, Neighborhood Markets and SAM’S CLUB locations in the United States. The company has operations in Argentina, Brazil, Canada, China, Costa Rica, El Salvador, Germany, Guatemala, Honduras, Japan, Mexico, Nicaragua, Puerto Rico and the United Kingdom. The company’s securities are listed on the New York Stock Exchange and NYSE Arca,

formerly the Pacific Stock Exchange, under the symbol WMT. More information about Wal-Mart can be found by visiting [www.walmartfacts.com](http://www.walmartfacts.com).

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