

# Greening the Supply Chain

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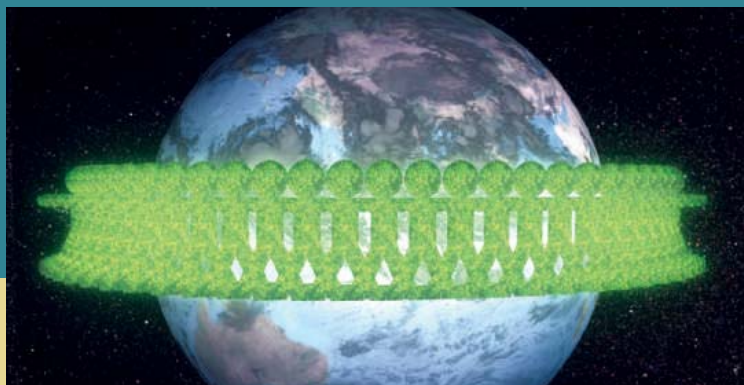
**Wal-Mart is China's biggest export client, so when the giant retailer recently summoned 1,000 of its vendors to an environmental summit in Beijing, the invitation was taken seriously.**

Wal-Mart says it intends to build a world-class sustainable supply chain, and it has the clout to make that happen. According to Matt Kistler, the company's senior vice president for sustainability, "Certainly, it's difficult any time you ask more of your suppliers. But we're showing them there are cost-saving opportunities through this lens of sustainability."

For huge companies like Wal-Mart, the supply chain can be long indeed, consisting of every company, individual and resource involved in a product's lifecycle. And "greening" that complex chain may take many forms: suppliers can redesign products, set up recycling systems and reduce energy use, air pollution and waste.

On supply chain issues, Wal-Mart works closely with Environmental Defense Fund (EDF), the only nonprofit group with offices in both Beijing and the company's hometown of Bentonville, Arkansas. EDF takes no money from Wal-Mart, but the partnership is strategic for both parties.

"The biggest opportunity for environmental progress is the estimated 90 percent of Wal-Mart's environmental footprint attributed to its 60,000 worldwide suppliers," says Elizabeth Sturcken, EDF's managing director for corporate partnerships. Wal-Mart's Kistler describes EDF as "a valued contributor to our effort to operate Wal-Mart more sustainably, which means helping both the environment and our business."



## NIKE: LEAVING A SMALLER FOOTPRINT

Footwear manufacturer Nike has become a role model with its Considered Design program, which works to reduce the company's carbon footprint by sourcing environmentally preferred materials from suppliers. These initiatives include replacing toxic solvents and glues with more benign water-based alternatives. "We've taken 95 percent of our solvent-based volatile organic compounds out of the supply chain," says spokeswoman Kate Meyers.

Nike wants its entire footwear line to meet Considered Design standards by 2011. By 2020, with the concept expanded to clothing and equipment, it hopes to achieve a 20 percent increase in the use of environmentally preferred materials.

## SUSTAINABLE SEAFOOD

Supply chain reform already covers a surprising range of products. One of Wal-Mart's goals is to sell only certified sustainable seafood by 2011. According to EDF project manager Michelle Harvey, "We're working together to ensure that farmed seafood standards and certification processes are credible."

Greening of the intricate supply chains that connect the world's companies will not happen overnight, but the process is well underway. "Smart companies are finding tangible cost savings and hidden efficiencies," says EDF supply chain expert Dr. Andrew Hutson. "The concept is gaining steam."

**About ENVIRONMENTAL DEFENSE FUND:** Founded in 1967, Environmental Defense Fund is a globally recognized leader in partnering with business. Visit [edf.org](http://edf.org) or email [partnerships@edf.org](mailto:partnerships@edf.org)

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## WASTE MANAGEMENT: INTEGRATING "SUSTAINABILITY" INTO SUPPLY CHAINS

By reducing, reusing and recycling waste, Waste Management (WM) helps green supply chains for other companies. "Waste is a resource," said Lynn Brown, WM's VP Corporate Communications, noting that WM does "everything from helping clients achieve zero waste to recycling and disposal. Some of our clients achieve upwards of 80 percent waste reduction." Among its accomplishments:

- WM is North America's largest residential recycler;
- WM powers more than 1 million homes by converting waste into clean energy;

- WM has 19,000 acres dedicated to wildlife habitat adjacent to its landfills.

Responding to the climate change threat, WM is seeking to develop cleaner heavy-duty vehicles. "Our trucks are like factories on wheels," said Brown. WM is looking to invest capital to spark breakthroughs in currently unavailable hybrid technology for this class of vehicles in order to slash emissions from its truck fleet by 15 percent by 2020.





**WM**  
WASTE MANAGEMENT

**Our landfills provide  
over 17,000 acres  
of wildlife habitat.**

**Our natural resources are worth protecting.** That's why Waste Management works with communities and the Wildlife Habitat Council to use the property adjacent to our landfills as safe havens for native animal and plant life. You might say it's in our nature to do what's good for the environment.

There's more to think about at [ThinkGreen.com](http://ThinkGreen.com)

From everyday collection  
to environmental protection, Think Green.<sup>®</sup>  
Think Waste Management.

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WASTE MANAGEMENT  
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