

# TOP TEN WAYS WALMART FAILS ON SUSTAINABILITY

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Since launching its sustainability program in 2005, Walmart has tried to position itself as a leader on corporate environmental responsibility. In frequent press announcements and annual “Global Responsibility” reports, Walmart touts its activities on renewable energy, sustainable agriculture, waste reduction, and product improvements.

While Walmart’s sustainability campaign has done wonders for its public image, it has done little for the environment. In fact, Walmart’s environmental impact has only grown over the last seven years. Its business practices remain highly polluting, while its relentless expansion and consolidation of the market have come at the expense of more sustainable enterprises and systems of production and distribution. Here are 10 ways Walmart is failing on sustainability:

## Selling Shoddy Products

By demanding ever-lower prices from its suppliers, Walmart drives down the quality and durability of consumer goods. Clothing, appliances, electronics, and other products now wear out faster than ever before. This has sped up the flow of goods from factory to landfill, vastly expanding the amount of stuff Americans buy and discard.

Take clothing, for example. In the mid-1990s, the average American bought 28 items of clothing a year. Today, we buy 59 items.<sup>1</sup> We also throw away an average of 83 pounds of textiles per person, mostly discarded apparel, each year.<sup>2</sup>

## Reducing Waste According to Who?

Walmart’s sustainability program does not address the issue of short-lived products and the resulting increase in landfill waste. The gains made by the company’s much-publicized store waste reduction program and its initiative to reduce energy use in its supply chain – a program implemented in only 1% of the Chinese

factories that supply Walmart’s stores – are miniscule compared to the volume of pollution and trash created by the expanded pace of consumption that Walmart fosters.

## Lagging on Renewable Energy

Despite six years of heavily promoting its renewable energy initiatives, in 2011, Walmart derived less than 4% of the electricity it used from its renewable power purchases and solar power projects.<sup>3</sup> At its current pace, it will take Walmart many decades to reach its stated goal of 100% renewable power. Some of its competitors are already there. Kohl’s and Whole Foods have fully converted to renewable power, as have many independent retailers.

What’s holding Walmart up? It’s unwilling to make the investment. In its *2012 Global Responsibility Report*, Walmart, which reported operating profits of \$26.6 billion last year, explained its slow progress on renewable power by noting, “it has sometimes been difficult to find and fund low-carbon technologies that meet our ROI [return-on-investment] requirements.”<sup>4</sup>

## Increasing Greenhouse Gases

Walmart's greenhouse gas emissions have been rising steadily. Between 2005 and 2010, Walmart's reported emissions grew by 14%. The company says its operations now produce 22 million metric tons of greenhouse gases a year and it expects its emissions to continue to expand.<sup>5</sup>

In particular, Walmart promised to improve energy efficiency and cut greenhouse gas emissions at its 2005 base of stores and distribution centers by 20% by the end of 2012. So far, however, it has cut emissions by less than 13%. Meanwhile, the energy used by new stores built since 2005 is contributing twice as much CO<sub>2</sub> to the atmosphere each year as Walmart's store improvements have saved.<sup>6</sup>

In 2009, Walmart said, "Every company has a responsibility to reduce greenhouse gases as quickly as it can."<sup>7</sup> Yet Walmart itself has refused to make the investment and take the steps necessary to cut its own emissions.

## Voraciously Consuming Land

Despite its public embrace of sustainability, Walmart continues to maximize its land consumption by building vast, low-rise supercenters. Since 2005, Walmart has added more than 1,100 supercenters in the U.S., expanding its store footprint by one-third.<sup>8</sup> Most of these stores were built on land that hadn't been developed before, including, in some cases, critical habitat for threatened and endangered species.

In many communities, Walmart has chosen to build on virgin land rather than redevelop vacant "greyfield" retail properties. Walmart itself routinely abandons its stores. The U.S. is currently home to about 150 empty Walmart stores,<sup>9</sup> many vacated when the chain opened a newer supercenter nearby.

Walmart's development practices have a major impact on the environment, causing problems such as habitat loss, water pollution from parking lot runoff, sprawl, increased driving, and air pollution. Between 1990 and 2009 – a period when Walmart grew from a regional chain to a national juggernaut – the number of miles the average U.S. household logged each year for shopping increased by nearly 1,000 miles.<sup>10</sup> For the country

as a whole, that's an extra 149 billion miles on the road each year and about 50 million metric tons of added CO<sub>2</sub> emissions.

Yet Walmart's sustainability program does not address land use at all. Its *2012 Global Responsibility Report* doesn't even mention these very significant environmental issues.

## Financing Anti-Environment Candidates

While Walmart has publicly expressed support for addressing urgent environmental issues like climate change, its campaign donations reveal a very different agenda. Walmart is one of the largest corporate campaign contributors in the country. Its dollars skew heavily in favor of candidates who consistently vote against the environment, including many leading climate change deniers.

Since 2005, nearly 60% of the \$3.9 million Walmart has given to members of Congress went to lawmakers whose lifetime scores on the League of Conservation Voters' National Environmental Scorecard indicate they vote against the environment most of the time. More than 40% of its donations went to lawmakers who vote against the environment at least 80% of the time.<sup>11</sup>

## Consolidating & Industrializing Food Production

Walmart's growth as a grocer – the company had 2010 grocery sales of \$140 billion<sup>12</sup> and the company controls more than 50% of sales in 29 metro markets<sup>13</sup> – has triggered a wave of mergers among meat-packers, dairies, and other food processors. Although Walmart claims to support "sustainable agriculture," it has used its market power to usher in a larger-scale, more industrialized food system.

This, in turn, has squeezed farmers. With fewer retailers and processors to compete for their output, farmers have seen their share of the food dollar shrink. Between 1990 and 2009, the farmers' share of each dollar consumers spent on pork, for example, fell from 46 to 25 cents, while the share going to Walmart and other retailers rose from 45 to 62 cents.<sup>14</sup> A similar shift has occurred in beef, dairy, and produce.

## Redefining Local

Walmart claims to be increasing the amount of locally produced food it sells. But the company's distribution model favors the use of very few large suppliers, not the small farms most consumers think of when they seek out local produce. The company's goal is not to increase the amount of local products sold in each store, but across all stores<sup>15</sup> and the company's definition of local is obtained within the same state as the store.<sup>16</sup> This means that stores already located in major agricultural states like California, Texas or Florida can easily make up for the lack of same-state produce in other states.

## Degrading Organic

Although Walmart pledged five years ago to expand organic food, what Walmart means by organic is different from what many consumers expect. When Walmart talks about organic, it includes big food companies making organic versions of the processed foods that are already on Walmart's shelves – like Rice Krispies and Kraft macaroni and cheese.<sup>17</sup>

Walmart's own private-label organic milk brand has been harshly criticized. The dairy cows are raised in factory-farm conditions, with thousands of cows housed in a single facility.<sup>18</sup> The cows eat predominately grain and are grass-fed only while they are not being milked – about two to three months out of the year.<sup>19</sup>

## Spreading Poverty

In its bid to expand into cities, Walmart is promising to bring healthier foods to “food deserts,” neighborhoods that are underserved by grocery stores. While cheap fruits and vegetables might look good on paper, it is not so simple when costs to employees, workers throughout the food supply chain, and the environment are left out of the equation.

The main underlying cause of poor diet and diet-related health issues is poverty, according to a 15-year study recently published in the *Archives of Internal Medicine*.<sup>20</sup> Rather than improving the economic health of families, which would enable them to buy healthier food, Walmart has the opposite effect. When Walmart comes into a community, incomes decline and poverty increases. According to a study published in *Social Science Quarterly*, neighborhoods that gain Walmart

stores end up with more poverty and food-stamp usage than communities where the retailer does not open.<sup>21</sup>

When it comes to the food system, Walmart is part of the problem, not the solution.

## FOR FURTHER INFORMATION

*Walmart's Greenwash: How the company's much-publicized sustainability campaign falls short, while its relentless growth devastates the environment.*

– Institute for Local Self-Reliance, March 2012

<http://www.ilsr.org/new-report-walmarts-greenwash>

*Why Walmart Can't Fix the Food System*

– Food & Water Watch, February 2012

<http://www.foodandwaterwatch.org/tools-and-resources/why-walmart-cant-fix-the-food-system>

## Endnotes

- 1 U.S. Census Bureau, Current Industrial Reports.
- 2 U.S. Environmental Protection Agency, “Municipal Solid Waste in the United States,” 2009.
- 3 Walmart, *2012 Global Responsibility Report*.
- 4 Walmart, *2012 Global Responsibility Report*.
- 5 Walmart, *2012 Global Responsibility Report*; Carbon Disclosure Project, *CDP Global 500 Report 2011 and Carbon Disclosure Project Report 2007 USA S&P500*.
- 6 Walmart, *2012 Global Responsibility Report*; ILSR calculation based on data in Walmart's annual Global Responsibility reports.
- 7 Walmart, *2009 Global Sustainability Report*.
- 8 Walmart annual reports.
- 9 Walmartrealty.com, viewed Oct. 12, 2011.
- 10 U.S. Department of Transportation, National Household Travel Surveys, 1990-2009.
- 11 Figures in this section on Walmart's federal campaign contributions are derived from campaign contribution data published by the Center for Responsive Politics (OpenSecrets.org) and Congressional voting record data published by the League of Conservation Voters.
- 12 Wal-Mart Stores, Inc. Securities and Exchange Commission. 10K Filing. January 31, 2011 at 4.
- 13 United Food & Commercial Workers. “Ending Walmart's rural stranglehold.” 2010 at 6.
- 14 U.S. Department of Agriculture Economic Research Service. Historical monthly price spread data for beef, pork, broilers, turkeys and eggs. Data updated February 17, 2012.
- 15 Wal-Mart Stores, Inc. [Press release.] “Sustainability agriculture remarks by Leslie Dach.” October 19, 2010.
- 16 Clifford, Stephanie. “Wal-Mart to buy more local produce.” *New York Times*. October 14, 2010.
- 17 Warner, Melanie. “Wal-Mart eyes organic foods, and brand names get in line.” *New York Times*. May 12, 2006.
- 18 Warner, Melanie. “A milk war over more than price.” *New York Times*. September 16, 2006.
- 19 *Ibid*.
- 20 Janne Boone-Heinonen, PhD; Penny Gordon-Larsen, PhD; Catarinal Kiefe, MD, PhD; James M. Shikany, DrPH; Cora E. Lewis, MD; Barry M. Popkin, PhD, “Fast Food Restaurants and Food Stores: Longitudinal Associations With Diet in Young to Middle-aged Adults,” *Archives of Internal Medicine*, Vol. 171 No. 13, July 11, 2011.
- 21 Stephan J. Goetz and Hema Swaminathan, “Wal-Mart and County-Wide Poverty,” *Social Science Quarterly*, Vol. 87, Issue 2, June 2006.