

Walmart New Energy Commitments Factsheet

Since 2005, Walmart has been committed to three sustainability goals: to be supplied 100 percent by renewable energy, to create zero waste and to sell products that sustain people and the environment. Today, we are making new commitments that will advance our renewable energy goal and, when fully implemented, could result in \$1 billion in annual savings.

What are we announcing?

- **Walmart's goal is to be supplied 100 percent by renewable energy. Two new commitments will chart our energy progress through 2020.**
- **We will take a two-part approach by both increasing renewable energy and increasing energy efficiency with the following commitments:**
 1. Scale renewables. Drive the production or procurement of 7 billion kWh of renewable energy globally by December 31, 2020 – an increase of over 600 percent versus 2010.
 2. Accelerate efficiency. By December 31, 2020, reduce the kWh/sq. ft. energy intensity required to power our buildings around the world by 20 percent versus 2010.

Where are we today?

- **Since 2005, Walmart has been innovating in renewable energy and increasing energy efficiency in the U.S.**
 - With over 200 solar projects, Walmart U.S. has saved approximately \$2 million to date.
 - As a member of the U.S. EPA Green Power Partnership program, Walmart is the No. 1 onsite renewable user¹ and the third largest retail purchaser of renewable energy in the U.S.².
 - According to the Solar Energy Industry Association, Walmart has more solar power capacity and number of solar systems than any other company in America³.
 - In 2012 alone, Walmart added more than 100 renewable energy projects, bringing our total number of renewable projects in operation worldwide to nearly 300 today.
- **Renewable energy offers an affordable and reliable solution to our growing energy needs, especially as we address unique energy challenges around the globe. Existing examples include the following:**
 - We seek to meet or beat non-renewable prices over the term of our renewable energy agreements, and so far we've been successful in accomplishing this across our fleet of projects.
 - 21 percent of our buildings' total electricity and 17 percent of our buildings' total energy use is supplied by renewable energy today.
 - 1.1 billion kWh of renewable energy provide power to our buildings today, enough to power over 95,000 U.S. households⁴.
 - China: Walmart China completed its first rooftop solar project in Shenzhen.

¹ <http://www.epa.gov/greenpower/toplists/top20onsite.htm>

² <http://www.epa.gov/greenpower/toplists/top20retail.htm>

³ <http://www.seia.org/research-resources/solar-means-business-top-commercial-solar-customers-us>

⁴ U.S. Energy Information Agency: http://www.eia.gov/electricity/sales_revenue_price/xls/table5_a.xls

- Mexico: Walmart Mexico predicts energy savings up to \$20 million USD from its combined energy efficiency and renewable energy programs in 2013 alone.
 - More than 720 Walmart Mexico stores are expected to be supplied by renewables by the end of this year.
 - Renewables are expected to supply Walmart Mexico with over 400 million kWh of energy by the end of this year.
- United Kingdom: Asda's world-class energy efficiency programs have saved us almost \$64 million USD since 2007 – and over \$4 million USD last year alone. Asda cut greenhouse gas emissions from their 2005 base of stores, clubs and distribution centers by over a third.
- **Walmart is leading and innovating in greenhouse gas (GHG) reductions.**
 - We've shown that we can grow our business while slowing our environmental impact.
 - We achieved our commitment to reduce GHGs by 20 percent from our stores, clubs and distribution centers, avoiding 3 million metric tons of GHGs, or the equivalent of taking 625,000 cars off the road⁵. Moreover, this was completed a year ahead of schedule. From 2005 to 2011, our square footage increased 40 percent and sales grew 44 percent⁶ while our GHG emissions grew only 10 percent.
 - We continue to lead in supply chain GHG innovation through our commitment to eliminate 20 million metric tons of GHG emissions from our global supply chain by the end of 2015.

How will Walmart get it done?

- **Scaling renewables**
 - We will work to drive down technology costs for everyone and make renewable energy more affordable.
 - We will partner with suppliers of utility-scale, offsite renewable energy, driving the production of large wind projects, micro-hydro projects and geothermal. Walmart's willingness to sign long term power purchase agreements (PPAs) brings a reliable revenue stream to renewables developers, helping them secure financing.
 - We will expand distributed renewable energy by expanding onsite solar, wind, fuel cells and other technologies on our rooftops, parking lots and property, with the intent to install solar power on at least 1,000 rooftops or facilities in the U.S. alone.
 - We will send strong market signals through wholesale green power purchases with our utility and other energy suppliers.
- **Accelerating efficiency**
 - We will reduce the need for new fossil fuel-fired power plants by driving "demand side management" or investment in energy efficiency.
 - We will continue to scale and deploy market-ready efficiency technologies, leveraging our global demand to provide scale and certainty to our suppliers.
 - We will share promising technologies globally – both within Walmart and with others – piloting proven technologies in new geographies, store formats and customer demographics. We will help to close the technology gaps around the world.
 - We will maintain our focus on testing and experimenting with next generation technologies to accelerate the future of energy efficiency.

⁵ U.S. EPA Carbon Calculator: <http://www.epa.gov/climatechange/ghgemissions/ind->

⁶ Walmart 10-k public data

What will be the impact?

- **Every day low cost (EDLC). These commitments will drive Walmart’s core mission to “save people money so they can live better” by helping us operate for less.**
 - These two commitments are expected to contribute to every day low costs because energy is one of Walmart’s largest controllable operating costs. Energy prices are increasing in nearly every market where Walmart operates.
 - Reducing energy costs at Walmart means lower prices on the products our customers love. Renewables reinforce the “productivity loop,” allowing us to buy energy for less, operate for less and sell for less.
 - Expert predictions of global energy prices⁷ show that energy costs could increase twice as fast as our anticipated store growth. The combined energy savings from these two commitments will help mitigate uncertain and volatile energy price increases. In fact, according to one analysis, Walmart could save upwards of \$1 billion per year once the program is fully implemented.

- **Sustainability. These commitments are also good for the environment. And, by leveraging our scale, we can drive down technology costs and make renewable energy more affordable for everyone.**
 - The new commitments are expected to avoid nearly 9 million metric tons of greenhouse gas (GHG) emissions⁸. That’s like taking almost 1.5 million cars off the road⁹.
 - We expect to further de-link GHG emissions from business growth. These two commitments – to accelerate efficiency and scale renewables – allow us to predict that by 2020, we expect to see an absolute decrease in GHG emissions from the company’s largest GHG source – energy to power buildings¹⁰ – compared to our 2010 baseline.
 - This reduction is despite plans to grow considerably our sales and stores in the same time period, and is above and beyond our success in decreasing the GHGs from our 2005 base of stores, clubs and distribution centers by 20 percent.
 - Walmart’s new renewables commitment will reduce the demand for nonrenewable energy sources, eliminating roughly the equivalent of two fossil fuel power plants annually in 2020¹¹. Seven billion kWh is enough energy to power all of the households in the entire city of Austin, Texas for over a year¹².

- **Communities. Energy efficiency and renewable energy are good for communities.**
 - We will be able to reduce air and water pollution associated with fossil fuel electrical generation.
 - Combined, our efficiency and renewables commitments are expected to cap our use of non-renewable electricity at 2010 levels, a critical first step on the path to 100 percent renewable energy.
 - These commitments will accelerate our goal to be supplied 100 percent by renewable energy. The commitments allow us to forecast that:
 - By 2020, renewables are expected to supply nearly 40 percent of our buildings’ electricity needs, with Walmart-driven renewable projects predicted to grow from 4 percent of our electricity mix in 2010 to 22 percent of our electricity mix in 2020.
 - By 2020, renewables are expected to supply nearly 30 percent of our buildings’ total energy needs¹³, with Walmart-driven renewables expected to expand from 3 percent of our energy mix in 2010 to 17 percent of our energy mix in 2020.

⁷ From US Energy Information Administration, Canada National Energy Board, Enerdata, and Latin American Energy Organization (OLADE)

⁸ McKinsey analysis

⁹ U.S. EPA Carbon Calculator - <http://www.epa.gov/climatechange/ghgemissions/ind->

¹⁰ Energy to power our buildings makes up 80% of our scope 1 and 2 GHG footprint.

¹¹ Source: U.S. Energy Information Agency <http://www.eia.gov/electricity/capacity/>, and International Energy Agency <http://www.eia.gov/electricity/annual/archive/03482009.pdf>

¹² U.S. Energy Information Administration http://www.eia.gov/electricity/sales_revenue_price/xls/table6.xls

¹³ Total energy includes not only electricity, but also natural gas, heating, cooling, and all other building energy needs.