

# WAL-MART STORES, INC.

NYSE – WMT  
Big Box Retail

With the proactive support of CEO Lee Scott, Wal-Mart has made significant strides in reducing emissions from all parts of the company – including its own operations, its supply chain, and its products. The company has set aggressive targets to reduce both energy consumption and greenhouse gas (GHG) emissions and has implemented a robust strategy to achieve its goals. Wal-Mart has also taken a proactive role in supporting regulatory measures to address climate change, working with members of the US Congress to design an efficient cap-and-trade system. In addition, Wal-Mart is engaging with suppliers to drive the company's high standards for energy efficiency and low-carbon solutions through the company's complete supply chain.

**Summary Score: 69**

## Company Information

Wal-Mart is the world's largest retailer. The company's operations comprise three business segments: Wal-Mart Stores, Sam's Club and International. As of September 2008, the company operates 2576 supercenters, 914 discount stores, 594 Sam's Clubs and 143 Neighborhood Markets in locations around the world. Out of the 7437 units the retailer operates, 3210 are located outside of the United States. Wal-Mart and its subsidiaries employ approximately 2 million associates worldwide.

### Contact Information

**Chairman:** S. Robson Walton  
**CEO:** H. Lee Scott Jr. [*Lee Scott will be replaced by Mike Duke on February 1, 2009.*]  
**Website:** [www.walmartstores.com](http://www.walmartstores.com)  
**Address:** 702 S.W. 8<sup>th</sup>St. Bentonville, AR, United States

## Board Oversight

**Score: 0**

<i>Board Committee/Member</i>	None identified.
<i>Board Role</i>	None identified.
<i>Board Training</i>	None identified.

## Management Execution

**Score: 16**

<i>CEO Leadership</i>	Wal-Mart CEO Lee Scott has emerged as a climate change leader in his industry, spearheading the company's climate change strategy by announcing new company-wide goals to reduce GHG emissions, improve energy efficiency and promote renewable energy. Mr. Scott discusses the company's goals and progress on climate change in Wal-Mart's sustainability progress report, and also briefly mentions the company's energy efficiency goals in his annual letter to shareholders. In a 2006 interview, Mr. Scott stated: "I...embraced this idea that the world's climate is changing and that man played a part in that, and that Wal-Mart can play a part in reducing man's impact. We recognized that Wal-Mart had such a footprint in this world, and that we had a corresponding part to play in sustainability." In January 2008, at Wal-Mart's annual kick-off meeting comprised of more than 7000 managers, Mr. Scott laid out the company's goals to improve the energy efficiency of its operations and products. Mr. Scott has also participated in public forums to discuss Wal-Mart's sustainability efforts,
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including the Wall Street Journal's ECO:nomics conference in California in March 2008. In addition, at the company's June 2008 annual shareholder meeting, Mr. Scott stated: "There are very clear trends that the retail industry and the world will have to confront -- the aging of the global population, a multi-polar balance of power, income inequality, the disruptive power of technology, increased demand for energy ... to name a few. Wal-Mart can play a role in reducing the world's dependence on oil and other high-carbon sources of energy. Our leadership in sustainability will give customers and suppliers everywhere the ability to be more energy efficient and therefore more energy independent."

### *Company Strategy*

In October 2005, Wal-Mart announced three "simple and straightforward" sustainability goals for the company: (1) to be supplied 100 percent by renewable energy; (2) to create zero waste; and (3) to sell products that sustain the environment. To reduce its greenhouse gas emissions, Wal-Mart set three goals, including:

- Making its fleet 100 percent more efficient by 2015 when compared to the 2005 baseline fleet efficiency; and to increase truck fleet efficiency by 25 percent by 2008
- Reducing greenhouse gas emissions in its existing stores, clubs and distribution centers by 20 percent by 2012
- Building a viable store prototype that is 25 to 30 percent more efficient and emits up to 30 percent fewer greenhouse gases by 2009

### *Executive Responsibility*

Wal-Mart has developed 13 Sustainable Value Networks (SVNs) to "integrate sustainable practices into every aspect of its business." Each SVN is responsible for developing initiatives that drive sustainability into a specific business division and also align with one of the overarching company sustainability goals. Salaried associates at all levels in the company are involved in the SVNs, including executive leadership, top management, division leaders and other associates at various levels throughout the company. Network activities are monitored and managed at a number of levels and are reported directly to the CEO. In addition to associates, the SVNs "bring together leaders inside of Wal-Mart along with leaders from supplier companies, environmental groups, academia and government" to focus on a diverse array of sustainability issues at the company. A few examples of the SVNs include a Greenhouse Gas Network, a Sustainable Buildings Network, a Logistics & Fleet Network and an Alternate Fuels Network. Seven other SVNs focus on specific company products, and three SVNs address sustainability issues related to the company's supply chain.

The SVNs provide regular progress and activity reports to Wal-Mart executives. Additionally, quarterly "Sustainability Milestone Meetings", attended by Wal-Mart executives, highlight progress and updates. Tom Hyde, executive vice president of legal compliance and ethics and corporate secretary, is the executive sponsor of the GHG Network. Jim Stanway is the captain of Wal-Mart's Greenhouse Gas Sustainability Value Network. Eric Zorn, Johnnie Dobbs and Greg Johnston are respectively the executive sponsors of the Sustainable Buildings, Logistics & Fleet, and Alternative Fuels Networks

### *External Initiatives*

In 2007, Wal-Mart partnered with the U.S. Conference of Mayors to launch the Mayors' Climate Protection Awards Program. The awards recognize mayors who have implemented outstanding, innovative programs to improve environmental conditions, reduce greenhouse gas emissions and promote healthy living habits in the communities they serve. Wal-Mart has

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also partnered with the World Resources Institute's "Green Supply Chain Project" which helps large companies promote corporate supply chain initiatives that are based on sustainability criteria and lead to improved sustainability performance and financial value for both buyers and suppliers. The project aims to promote sustainability through a collaborative research, learning and communication effort by WRI and a group of corporate partners. Additionally, Wal-Mart sits on the steering committee of the GHG Protocol Initiative managed by the World Resources Institute and the World Business Council on Sustainable Development. The Initiative is working to develop guidelines for product and supply chain greenhouse gas accounting and reporting. Wal-Mart has also partnered with the Clinton Climate Initiative to collaborate in designing new products and best practices related to energy technologies and exploring ways to use their purchasing resources to lower prices on sustainable technologies. As noted below, Wal-Mart has partnered with the Carbon Disclosure Project to launch a pilot project with CDP to use the CDP survey methodology to engage its suppliers to disclose on climate change-related issues

*Employee Training* Wal-Mart encourages employees to achieve personal sustainability goals through its Personal Sustainability Project. The project is voluntary and was adopted in 2006. According to Wal-Mart, "the program is focused on helping Associates integrate sustainability into their own lives by making small changes to everyday habits."

*Executive Compensation* Wal-Mart does not link executive officers' compensation to attainment of environmental and/or climate-related goals.

### Public Disclosure

Score: 7

*Annual Report* No climate change mention.

*Securities Filings* No climate change mention.

*Other Disclosure* In addition to providing climate change-related information on its website and in its annual sustainability reports, Wal-Mart also publishes a quarterly sustainability newsletter.

*Sustainability Reports* **USA:** *Sustainability Progress to Date 2007-2008*, November 2007  
**Canada:** *2007 Corporate Social Responsibility Report - Environment*  
**Japan (Seiyu):** *2007 Seiyu Sustainability Report*  
**Mexico :** *2007 Social Responsibility Report (see page 14 for Environmental Sustainability)*  
**URL:** <http://walmartstores.com/Sustainability/7951.aspx> (US)  
**GRI Accordance:** Some of Wal-Mart's sustainability reports utilize GRI reporting formats.

*Carbon Disclosure Project* Answered Questionnaire (Public)

*CDP6 Risk Disclosure* While Wal-Mart says that it does "not foresee significant regulation of [its operations]," the company does "expect regulation that would impact [its] energy suppliers and, therefore, increase [its] energy costs." The company also says that it sees climate change "as a significant threat" to the communities it serves globally.

In addition to identifying potential regulatory and physical risks, Wal-Mart acknowledges a "general risk of resource availability constraints, caused by climate change" which could affect the company's supply chain.

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## Public Policy

Wal-Mart executives have testified before the U.S. Senate on two occasions, in April 2006 and May 2007, to advocate for a well-designed cap-and-trade system in the US. In 2008, in a document released to members of Congress and NGOs, Wal-Mart stated:

“Wal-Mart believes that a well-designed cap-and-trade system will foster the competition, innovation, and business-to-business and business-to-consumer transactions that will result in low-cost emission reductions and the creation of new ‘green’ jobs through increased demand for new clean energy and energy saving technologies and services. Legislation and resulting regulations must be designed to take advantage of the power and the efficiency of the marketplace. A well-designed system would incentivize all sectors and levels of the economy to seek cost-effective emissions reductions.”

Wal-Mart has also endorsed the principles of the U.S. Climate Action Partnership. In January 2007, Linda Dillman, then Wal-Mart’s Vice President of Risk Management, Benefits and Sustainability, released the following statement: “We support US-CAP’s leadership on this important issue. We look forward to working with US-CAP, Congress and the White House to enact meaningful legislation to slow, stop and reverse the growth of greenhouse gas emissions.”

In addition, Wal-Mart says that a properly designed system would involve consumers as part of the solution. In June 2008, Wal-Mart issued a letter to Senators Barbara Boxer and James Inhofe in support of the Boxer-Lieberman-Warner Substitute to the Lieberman-Warner Climate Security Act. In the letter Wal-Mart’s Senior Vice President Ray Bracy wrote:

“I am writing to commend you both on your leadership on the critical issue of climate change. . . We applaud you and the bipartisan Senate leadership for bringing the Boxer-Lieberman-Warner Substitute to the Lieberman-Warner Climate Security Act, S. 2191, to the floor of the United States Senate. . . Wal-Mart believes that a properly designed system must involve consumers as part of the solution. Just as utilities might be able to generate emissions reduction credits through programs aimed at increasing the use of energy efficient appliances and through other promotional efforts meant to change consumer behavior, other sectors should be similarly encouraged to maximize the ability of consumers to reduce their carbon footprints. Retailers often have the greatest impact on consumer choice through promotion, display and, of course, pricing.”

## Emissions Accounting

Score: 11

GHG Emissions Inventory

Year: 2007

Facility/Region: Global

Protocol: GHG Protocol

Emissions	CO <sub>2</sub> e (Metric Tonnes)
Scope 1 (Direct)	5,161,340
Scope 2 (Indirect –Electricity)	15,079,475
Scope 3	—
Travel	—
Logistics	—
Products	—
Supply Chain	—

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<i>Accounting Methods</i>	Wal-Mart says that its GHG inventory “was designed to meet the most rigorous and complete accounting and reporting standards, positioning Wal-Mart to participate in voluntary reporting initiatives and other registries.” The company also notes that during the course of 2007 it developed improved data capture and management systems, enabling the company to more accurately re-baseline 2005 and 2006 GHG emissions.
<i>External Verification</i>	Wal-Mart’s GHG emissions inventory has been externally verified by Environmental Resources Trust.
<i>Certified CO<sub>2</sub> Offsets</i>	None identified.

## Strategic Planning

Score: 35

### Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
<b>GHG Emissions (Absolute)</b>	<b>20%</b>	<b>2005</b>	<b>2012</b>	<b>Globally, existing Wal-Mart and Sam’s Club stores, and all distribution centers</b>
<b>Energy Efficiency</b>	<b>25%</b>	<b>2005</b>	<b>2008</b>	<b>Truck Fleet</b>
<b>Energy Efficiency</b>	<b>100%</b>	<b>2005</b>	<b>2015</b>	<b>Truck Fleet</b>

*Target Details* In addition to its absolute emissions and energy reduction goals for its stores, distribution centers, and truck fleet, Wal-Mart has also committed to design and open a store prototype that is up to 25 to 30 percent more energy efficient and emits up to 30 percent fewer greenhouse gases by 2009.

*Target Achievement* Wal-Mart has achieved reductions greater than 110,000 metric tons of CO<sub>2</sub>.

*Energy Efficiency* As noted above, Wal-Mart has established three energy efficiency goals for its stores and vehicle fleet: a) making its fleet 100 percent more efficient when compared to the 2005 baseline fleet efficiency by 2015; b) increasing truck fleet efficiency by 25 percent by 2008; and c) building a viable store prototype that is 25-30 percent more efficient by 2009.

The company is retrofitting existing stores to achieve its target of a 20 percent reduction in GHG emissions by 2012. Wal-Mart says it has identified efficiency improvements in its lighting, HVAC and refrigeration units that are expected deliver significant reductions in energy use. Additionally, Wal-Mart employs a centralized Energy Management System (EMS) to monitor and control the heating, air conditioning, refrigeration and lighting systems for all U.S. stores and Sam’s Clubs from Wal-Mart’s corporate headquarters in Bentonville, Arkansas. The EMS enables Wal-Mart to constantly monitor and control energy usage, analyze refrigeration temperatures, observe HVAC and lighting performance, and adjust system levels from a central location 24 hours per day, seven days a week.

Since 2007, Wal-Mart has opened a number of “High Efficiency” prototype stores. The first set of prototypes, called HE.1s, use 20 percent less energy than the company’s typical Supercenters. In January 2008, Wal-Mart opened the next generation “High Efficiency” prototypes (HE.2s). These stores are estimated to be 25 percent more efficient. In March 2008,

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Wal-Mart opened its HE.5 prototype in Las Vegas. The HE.5 prototype features improvements in heating, cooling, refrigeration and lighting systems that are up to 45 percent more efficient than Wal-Mart's baseline Supercenters. As noted above, Wal-Mart has set a goal to design and open a viable prototype by 2009 that is up to 25-30 percent more energy efficient than its 2005 baseline.

### *Renewable Energy*

Wal-Mart has set a target to reach 100 percent renewable energy use. In addition, Wal-Mart has launched an initiative to install solar panels on the roofs of 22 stores in Hawaii and California. The company estimates the project will reduce the company's greenhouse gas emissions by 6,500 to 10,000 metric tons per year.

In an effort to achieve its renewable energy goal, Wal-Mart has partnered with the Cleantech Group to initiate the Cleantech Innovation Project. In 2008, the project began accepting submissions through a web portal for new technologies that would help the company to realize its renewable energy and waste elimination goals.

Wal-Mart has also set goals to increase its use of alternative fuels. The company has established an Alternative Fuels Network to "address the challenge of pushing for innovation and alternative sources of energy." The Alternate Fuels Network is working to blend and sell more E-10 gasoline to reduce emissions, testing hydrogen fuel cell forklifts in a distribution center, and exploring the creation and use of other alternative fuels.

### *Emissions Trading*

ASDA, Wal-Mart's U.K. subsidiary, participated in the pilot U.K. Emissions Trading Scheme in 2007.

### *Products & Services*

Wal-Mart says that it is "seeking low-carbon, affordable products and investing in identifying and marketing them." The company has set a number of goals to increase its offering of energy-efficient products:

- In 2006, the company set a goal to sell 100 million compact fluorescent light bulbs (CFLs), achieving the goal three months ahead of schedule. As of June 2008, Wal-Mart had already sold 192 million CFLs.
- In 2008, Wal-Mart set a goal to make the most energy intensive products sold in all of its stores around the world 25 percent more efficient in three years.
- CEO Lee Scott announced the company's goal to sell only Energy Star certified air conditioners in the U.S. and to increase the efficiency of all flat-screen TVs by 30 percent by 2010. Mr. Scott stated, "We do not want our customers to have to choose between products they can afford and energy-efficient products."
- Wal-Mart has set a target to double its sales of products that help make homes more energy efficient. Acknowledging the company's potential to address climate change through its products, Wal-Mart notes, "We can play a unique role in aggregating compensation for carbon reduction and passing the value of that compensation onto our customers by making energy-efficient technologies more affordable."
- Wal-Mart has set a goal to blend 75 million gallons of ethanol into the fuels it sells and uses by 2010. In order to complete this goal, they have expanded the number of markets where they sell E10. By the end of fiscal year 2008, Wal-Mart expects to have blended approximately 37 million gallons of ethanol into the fuel they have used or sold.

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### *Research & Development*

Wal-Mart has instituted a three-phase process for testing new technologies that show promise of providing energy savings or reducing greenhouse gas emissions in its facilities. The process includes testing technologies at one of Wal-Mart's experimental stores, then piloting the technology in a larger test group of stores, and finally integrating the successful technology into the basic store prototype.

Additionally, Wal-Mart is working with the Cleantech Group to gather ideas from innovators around the world and test the technologies in real-world conditions.

### *Supply Chain Management*

On January 23, 2008, Wal-Mart's President and CEO, Lee Scott, announced Wal-Mart's commitment to build the "Supply Chain of the Future" by incorporating environmental, social and quality criteria into the company's product procurement system. This announcement followed the company's September 2007 launch of a partnership with the Carbon Disclosure Project to measure the energy used to create certain company products and to encourage suppliers to reduce GHG emissions. The company launched a pilot project with CDP to use the CDP survey methodology to engage its suppliers to disclose on climate change-related issues. The company also says that it intends to develop "supplier scorecards" to evaluate the carbon footprint of its suppliers and products.

Furthermore, Wal-Mart recently launched the China Initiative, a flagship program to drive innovation and sustainable business practices throughout its facilities and stores located in China, as well as its suppliers' factories. Wal-Mart has identified specific work streams on which to focus its efforts and is developing metrics by which to measure progress. In October 2008 Wal-Mart convened 900 leading suppliers, Chinese officials and other key stakeholders for "Sustainability Summit – Beijing 2008" where the company will officially launch the China Initiative.

Wal-Mart is also working with its suppliers to reduce packaging and encourage use of renewable or recyclable materials. On February 1, 2008, Wal-Mart began using an online packaging scorecard to evaluate 60,000 suppliers on their ability to develop more sustainable packaging. The scorecard is a tool that all Wal-Mart buyers use to make more informed purchasing decisions and may show preference to suppliers who demonstrate a commitment to sustainable packaging.

Wal-Mart has implemented a Supplier Energy Efficiency Program (SEEP) through which Wal-Mart facilitates energy efficiency audits and retrofits of participating suppliers' buildings. The program enables Wal-Mart's suppliers to learn from Wal-Mart's own experience with energy efficiency in Wal-Mart buildings and stores. The company says that it intends for this program to form the basis of an energy efficiency model that can be adopted by any private or public sector organization that manages a supply chain. Wal-Mart has also publicly stated that it will give preference to suppliers with strong and improving environmental performance.

Since 2005, Wal-Mart has also made progress in reducing the GHG emissions associated with its distribution and logistics. The company is progressing toward its goal to improve fleet efficiency by 25 percent by 2008 across its fleet of approximately 7000 trucks. This year, Wal-Mart was able to reach its goal by loading trucks more efficiently, working with suppliers to reduce packaging, adding fuel-saving technologies to the trucks and creating better driving routes that cut out miles. As the company continues to move toward its goal to double fleet efficiency, Wal-Mart will look into adopting hybrid technologies for its fleet.

Carrefour has identified climate change as a “key issue” for its business, recognizing the importance of moving beyond its own operations to address the greenhouse gas (GHG) emissions associated with its supply chain and products. Carrefour has conducted life cycle analyses (LCAs) to assess the climate change impact of the production and use of its products. The company has also set a global energy efficiency target.

**Summary Score: 52**

## Company Information

Headquartered in Paris, Carrefour SA is the world’s second-largest retailer and the largest in Europe. The company operates four main grocery store formats: hypermarkets, supermarkets, hard discount and convenience stores. Carrefour has more than 15,000 stores in 30 countries and employed 490,042 as of December 31, 2007.

### Contact Information

**Chairman:** Amaury De Seze  
**CEO:** José Luis Durán [Duran will be replaced by Lars Olofsson on Jan.1, 2009.]  
**Website:** www.carrefour.com  
**Address:** 26 Quai Michelet, Levallois-Perret, 92695 France

## Board Oversight

**Score: 0**

### Board Committee/Member

None identified.

### Board Role

Prior to the company’s decision in July 2008 to adopt a single board of directors in place of its dual board structure, Carrefour’s Management Board had overall responsibility for climate change. The Management Board supported the company’s energy efficiency target and requested regular presentations from executives on the company’s progress in achieving its goals. In 2007 Carrefour’s Sustainable Development team presented at the two board meetings on the company’s energy strategy and performance. Carrefour’s Management board has been replaced by an Executive Committee, which will continue to receive updates on the company’s key sustainability issues.

### Board Training

None identified.

## Management Execution

**Score: 12**

### CEO Leadership

CEO José Luis Duran receives regular updates on sustainability issues through his role on the Executive Committee. According to the company, Mr. Duran “strongly supports” Carrefour’s sustainability commitments.

### Company Strategy

Carrefour has identified climate change as one of five “key issues” for 2007. As one of the world’s largest retail chains, the Carrefour Group “recognizes its role in contributing to society’s actions to limit greenhouse gas emissions and to anticipate climate change.” The company says that it “plays an active role in this process by reducing its own emissions and encouraging its customers, employees, suppliers and service providers to reduce theirs.” As part of its general environmental initiatives, Carrefour “has been increasing initiatives to reduce the environmental impact of its stores, warehouses and merchandise shipping – putting particular emphasis on greenhouse gas emissions.” In addition, beyond focusing

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on reducing its operational direct and indirect emissions, Carrefour recognizes that these initiatives often “represent financial savings as well,” and the company is offering products that “enable customers to develop a more sustainable consumption.” The company has established a number of commitments to reduce its climate change impact, including reducing the greenhouse gas (GHG) emissions associated with its store operations, products, and logistics. The company tracks its progress in achieving these goals in its sustainability report.

<i>Executive Responsibility</i>	Carrefour’s Sustainability Department is overseen by the company’s Corporate Affairs Director, Eric Bascle, who reports directly to CEO José Luis Duran. The Sustainability Department works in close cooperation with the Assets, Logistics, and Quality and Purchase Departments on climate change issues.
<i>External Initiatives</i>	As part of the European Sustainable Energy Campaign, Carrefour has partnered with the European Commission and the World Wildlife Fund on a campaign to raise consumer awareness and increase the sale of compact fluorescent light bulbs. In China, Carrefour cooperated with the WWF to launch an in-store campaign focused on energy conservation. The company is also a CDP Supply Chain Leadership Collaboration member.
<i>Employee Training</i>	Carrefour has implemented several awareness campaigns among its employees in different countries to address issues such as climate change and energy conservation.
<i>Executive Compensation</i>	According to the company, “energy savings objectives and the delivery of energy efficiency actions are assessed as part of personnel performance review for those people concerned.”

## Public Disclosure

Score: 10

<i>Annual Report</i>	Carrefour’s 2007 Annual Report discusses the company’s energy savings commitments including its target to reduce energy consumption by 20 percent by 2020 compared to 2004 levels.
<i>Securities Filings</i>	Carrefour does not file a Form 10-K or 20-F with the US Securities and Exchange Commission.
<i>Other Disclosure</i>	Carrefour discusses its climate change initiatives on its website and in its sustainability report. The company also publishes a separate booklet to discuss five issues the company views as key group challenges, including climate change.

**Sustainability report:** *Carrefour Group: Building Responsible Relationships.*

Sustainability Report 2007, May 2008

**URL:** <http://www.carrefour.com/cdc/responsible-commerce/sustainability-report/>

**GRI Accordance:** G3 Draft

<i>Carbon Disclosure Project</i>	Answered Questionnaire (Public)
<i>CDP6 Risk Disclosure</i>	While Carrefour acknowledges that the European Commission’s GHG emission reduction targets “will encourage further regulation in the field of energy production and consumption,” the company says that its “proactive and anticipatory approach is enabling the Group to make these regulatory risks more an opportunity for cost reduction, commercial growth and customer and staff loyalty.”

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Carrefour also notes that climate change-related physical risks “may impact the company’s activity in a number of ways.” Extreme weather events and / or changes in weather patterns may affect the company’s in-store operations or its supply of products. In particular, Carrefour notes that agricultural products may be at risk, as “the availability and price of agricultural products are naturally affected by climatic conditions which determine the quality and quantity of the supply of these fresh food products.” In addition, the company notes that customer demand for products may change rapidly in response to unusual weather events or changes in weather patterns.

Carrefour has completed detailed risk mapping for each country where it operates. This risk mapping includes natural disasters and environmental risks, including risks from climate change-related events (flooding, extreme weather events, etc).

## Public Policy

Carrefour says that it “maintains regular dialogue with public authorities and policy makers on issues related to climate change.” Carrefour participated in the French government’s “Grenelle for the Environment,” a multi-stakeholder dialogue to develop voluntary programs and new legislation on climate change and other environmental issues. Carrefour is also involved in public debates on carbon labelling for products.

## Emissions Accounting

Score: 14

GHG Emissions Inventory

Year: 2007

Facility/Region: Global Protocol: GHG Protocol

Emissions	CO <sub>2</sub> e (Metric Tonnes)	
Scope 1 (Direct)	1,777,727*	* Data based on 72% of 2007 consolidated sales; scaled up to 100%
Scope 2 (Indirect –Electricity)	2,347,882	** Headquarters only; approx. 1200 employees
Scope 3	—	*** Emissions related to transport of goods between warehouses and stores; estimate scaled up to 100% of sales
Travel	14,468**	**** Emissions generated during the product life-cycle; includes only emissions from paper used in commercial publications and free disposable plastic checkout bags.
Logistics	561,892***	
Products	585,741****	
Supply Chain	—	

Certified CO<sub>2</sub> Offsets

None identified.

## Strategic Planning

Score: 16

Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
Energy Efficiency	20% (kWh/m <sup>2</sup> )	2004	2015	Global

Target Details

In addition to the company’s global energy efficiency target, Carrefour China committed to reducing energy consumption by 20 percent by the end of 2008.

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*Target Achievement* In 2007 the Group recorded a 5 percent reduction in energy consumption and associated GHG emissions compared to 2006. Since 2004, the group has reduced electricity consumption by 9.2 percent (kWh/m<sup>2</sup>).

*Energy Efficiency* Through its in-store energy efficiency programs, Carrefour reduced the energy consumption of its hypermarkets in France by 20 percent between 2004 and 2007. Similar efforts in Italy have resulted in a 26 percent reduction in energy use in hypermarkets and a 10 percent reduction in supermarkets over the same period.

*Renewable Energy* Carrefour says that it “reviewed the opportunity to produce its own renewable energy on-site at stores with solar energy,” and concluded that “current technology is not sufficiently mature...to produce the necessary quantities of electricity for store use.” When asked to discuss the company’s position on purchasing renewable energy certificates, Jean-Francois Brunet, Group Assets Manager, states in the company’s sustainability report: “We prefer to direct our resources toward efficient investment in the short-term and reducing our consumption rather than toward this solution, which is simple to implement but less efficient for the environment. Better environmental efficiency comes from the energy we don’t use.”

*Emissions Trading* None identified.

*Products & Services* Carrefour says that it “studies opportunities to develop its range of products which provide solutions for consumers to help them reduce their emissions.” The company has conducted several product life cycle analyses to assess the greenhouse gas emissions associated with the production and use of the company’s products. According to the company, the objective is to “increase understanding of embedded greenhouse gas emissions and...identify hotspots (key impacts at specific stages in the product life cycle) in order to drive improvement in the supply chain and to provide appropriate advice to consumers on the more sustainable use of the products.” Carrefour’s preliminary LCAs, conducted between 2003 and 2006, assessed the impacts of the company’s check-out bags, catalogues, and packaging. Conclusions from these analyses prompted the company to reduce the number of free throwaway plastic bags and the quantity of paper used for commercial publications. The company estimates that it saved 8,045 tons of CO<sub>2</sub> in 2007 by reducing use of disposable bags. Carrefour is now conducting LCAs for some of its own brand products, and is expanding its product lines to include more energy-saving household products.

Carrefour has also partnered with the French government to promote the use of Natural Gas Vehicles (NGVs). In November 2007 the company opened the first French NGV pump for use by individual customers at a hypermarket. In addition, Carrefour opened 42 E85 pumps in 2007, making it the largest retailer of ethanol fuel in France.

*Research & Development* Carrefour works with its suppliers to develop and test new energy saving products and in-store technologies.

*Supply Chain Management* According to Jean-Francois Callaud, Group Supply Chain Director, “Carrefour works on a daily basis to reduce the number of kilometres travelled to deliver goods to stores based on more efficient filling procedures and a more efficient use of trucks.” Carrefour’s “number one goal” is to reduce truck mileage by optimizing truck loading, rationalizing transport flows and using alternative means of transport, particularly waterways and rail. The company says that

it works closely with its suppliers to “reduce the number of empty kilometres” by promoting pooling among suppliers for warehouse deliveries and using consolidation warehouses where goods are delivered by suppliers and then re-distributed by Carrefour in fully-loaded trucks. The company has set a goal to transport 40 percent of its import flows in France by waterway or rail.

In January 2008 Carrefour joined the CDP Supply Chain Leadership Collaboration to engage with its suppliers on climate change issues. The company says that it hopes “suppliers will seize this opportunity to analyse their activities in terms of their direct and indirect greenhouse gas emissions with a view to driving improvements.”

“Energy and Climate” is one of the “four major cornerstones” of Staples’ environmental strategy, and the company has outlined a four-pronged approach to addressing its energy consumption. Staples has set an absolute greenhouse gas (GHG) emissions reduction target, which it achieved three years early. Due to organic growth and acquisitions, however, the company has retained its original target and will continue to reduce its emissions to achieve the target again for 2010. Staples also purchases 20 percent of its US electricity from renewable sources and is installing 14 rooftop photovoltaic energy systems.

**Summary Score: 43**

## Company Information

Staples is an office products company offering a large, diversified selection of office supplies and services, business machines and related products, computers and related products, and office furniture. The company operates in three business segments: North American Retail, North American Delivery, and International operations. As of March 2008 (prior to the company’s acquisition of Corporate Express in July) Staples’ North American Retail segment consisted of 1,738 stores in 47 US states and 10 Canadian provinces at the end of fiscal 2007. The company’s International Operations consists of retail stores, catalog and Internet businesses operating under various names in 27 countries in Europe, Asia, Australia and South America. As of February 2, 2008, Staples employed 43,048 full-time and 32,540 part-time associates.

### Contact Information

**Chairman/CEO:** Ronald L. Sargent

**Website:** www.staples.com

**Address:** 500 Staples Drive Framingham, MA 01702 United States

## Board Oversight

**Score: 0**

*Board Committee/Member* None identified.

*Board Role* None identified.

*Board Training* None identified.

## Management Execution

**Score: 8**

*CEO Leadership* None identified.

*Company Strategy* Staples’ environmental policy focuses on “four major cornerstones” the company believes to be critical to reaching its overarching environmental goals. The company identifies “Energy and climate” as one of these four themes, stating: “Staples is committed to reducing the effects of our energy use on climate through continued conservation, the adoption of renewable energy technologies where financially viable, and the purchase of renewable energy certificates to promote the development of clean renewable energy.” The company says that energy efficiency is fully integrated into the company’s culture, called the Staples Soul.

Staples’ energy strategy is divided into four parts: a) energy conservation; b) renewable energy; c) GHG reduction commitment; and d) products and services.

# STAPLES, INC.

<i>Executive Responsibility</i>	Bob Valair is the Director of Energy and Environmental Management. Staples' energy team conducts bi-annual strategic energy-planning meetings to assess the company's energy strategies and set goals. Internal team members include energy staff associates as well as representatives from operations, marketing, corporate and other departments. External team members include energy consultants and key suppliers.
<i>External Initiatives</i>	The company has joined the following external initiatives: WRI Green Power Market Development Group; WRI Climate Northeast Partnership; USEPA Climate Leaders Program.
<i>Employee Training</i>	None identified.
<i>Executive Compensation</i>	None identified.

## Public Disclosure

Score: 6

<i>Annual Report</i>	Staples includes a summary of its 2007 Staples Soul report in the company's annual report. The summary describes the company's energy efficiency initiatives and renewable energy purchases.
<i>Securities Filings</i>	Staples states in its Form 10K: "We are committed to offering a broad selection of environmentally preferable products, providing easy recycling solutions for customers and associates, investing in renewable energy and energy conservation, and supporting environmental education efforts. These initiatives help preserve natural resources for future generations, while helping meet customer needs, create operational efficiencies, and spark new business opportunities."
<i>Other Disclosure</i>	Staples provides information on its investments in energy efficiency and renewable energy in its 2007 sustainability report. The company also provides an overview of its climate initiatives through the Energy and Climate section of its website.  <b>Sustainability Report:</b> 2007 Staples Soul Report <b>URL:</b> <a href="http://www.staples.com/sbd/content/about/soul/energyclimate.html">http://www.staples.com/sbd/content/about/soul/energyclimate.html</a> <b>GRI Accordance:</b> None identified.
<i>Carbon Disclosure Project</i>	Answered Questionnaire (Not public)
<i>Public Policy</i>	None identified.

## Emissions Accounting

Score: 11

*GHG Emissions Inventory*    **Year:** 2007    **Facility/Region:** U.S. only    **Protocol:** GHG Protocol

Emissions	CO <sub>2</sub> e (Metric Tonnes)
<b>Scope 1 (Direct)</b>	<b>61,305</b>
<b>Scope 2 (Indirect –Electricity)</b>	<b>346,195*</b>
<b>Scope 3</b>	—
Travel	—
Logistics	—
Products	—
Supply Chain	—

\* Scope 2 emissions include the 114,000 mtCO<sub>2</sub>e in Scope 2 emissions offset via Green-e certified RECs and green power purchases. Removing these emissions, the company's Scope 2 emissions would be 232,195 mtCO<sub>2</sub>e.

# STAPLES, INC.

<i>Accounting Methods</i>	Staples reports on all of its operating facilities in the United States for which energy information is available, whether fully owned, partially owned, or leased. For those leased sites in which energy costs are included in lease payments and therefore no data on facility energy use is available, Staples estimates its associated energy use and emissions.
<i>External Verification</i>	Staples' emissions inventory is reviewed by the EPA as part of the Climate Leaders Program. Staples currently estimates the GHG emissions for all other countries outside of the U.S. based on limited information, so international data does not adhere to any methodology and is not externally verified.
<i>Certified CO<sub>2</sub> Offsets</i>	In 2007 Staples offset 114,400 metric tons of CO <sub>2</sub> e through purchase of Green-e certified renewable energy certificates (RECs).

## Strategic Planning

Score: 18

### Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
<b>GHG Emissions (Absolute)</b>	<b>7%</b>	<b>2001</b>	<b>2010</b>	<b>United States</b>

<i>Target Details</i>	Due to its recent acquisition of Corporate Express, Staples has indicated that the company will adjust its target baseline in 2009. In Europe, all Staples business units have set a goal to reduce energy costs by 5 percent in 2008, regardless of growth.
<i>Target Achievement</i>	As of 2007, the company had reduced its GHG emissions by 13 percent below 2001 levels. However, due to organic growth and recent acquisitions, Staples' emissions have since increased and further emissions reductions will be required for the company to achieve its goal for 2010.
<i>Energy Efficiency</i>	<p>As the company states in its 2007 sustainability report, "Maximizing energy efficiency continues to be a priority for Staples." The company invested \$3 million in 2007 to improve the efficiency of conveyers, HVAC systems, and lighting. In 2007 Staples opened an energy efficient store in Miami, Florida that is registered under the LEED Green Building Rating System and is currently applying for certification to the Silver level. The company has four more stores under construction and intends to apply for LEED certification for these stores as well.</p> <p>Staples has reduced its electricity use by 15 percent since 2001 by implementing a number of energy efficiency measures in its stores and distribution centers. In 2007 Staples held a contest among its US distribution facilities to identify and implement energy efficiency improvements, resulting in a reduction of 5 million kilowatt hours of electricity use.</p>
<i>Renewable Energy</i>	Staples says that its initiatives to "encourage the expansion of renewable energy through the purchase of renewable energy certificates and the installation of on-site renewable energy technologies ... have clear environmental benefits, reduce overall energy costs, and diversify [the company's] energy sources to mitigate the impacts of increases in fuel prices." Staples purchased more than 124 million kilowatt-hours of renewable energy certificates in 2007, comprising about 20 percent of Staples' total U.S. electricity demand.

## STAPLES, INC.

Staples is also working with SunEdison to install 14 rooftop photovoltaic energy systems, which are expected to generate enough electricity to power 400 homes each year. The company completed eight installations in 2007, reaching a total of 13 active rooftop solar systems. Staples has set a goal to complete or start construction on 12 rooftop solar installations in 2008. In early 2008, Staples was ranked 4th out of the top 10 corporate retail purchasers of "green power" by U.S. EPA's Green Power Partnership.

*Emissions Trading* None identified.

*Products & Services* Staples believes that "climate change presents certain opportunities" to the company, particularly because "supplying products, like recycled content paper and Energy Star office technology products, that have a lower lifecycle carbon footprint reduces susceptibility to increases in fossil fuel prices and carbon regulations." Staples is an ENERGY STAR retail partner and is working to highlight and market ENERGY STAR office technology.

*Research & Development* None identified.

*Supply Chain Management* In 2007 Staples joined the EPA's SmartWay Transport Partnership, a collaboration between the EPA and the freight industry to reduce greenhouse gas emissions associated with shipping. Staples reported saving 540,000 gallons of diesel fuel and nearly \$1.5 million in fuel costs through fleet fuel efficiency improvements in 2007.

Target is focused on energy efficiency as the central facet to its climate change strategy. The company has implemented a number of energy-saving technologies in its stores and has also invested in photovoltaic panels for several of its California stores. Target has developed a greenhouse gas (GHG) emissions inventory, but has not yet publicly disclosed an emissions reduction target.

**Summary Score: 37**

## Company Information

Operating 1648 stores in 47 states, Target is the second largest chain retail in the United States. The company operates large-format general merchandise and food discount stores, which include Target and SuperTarget stores, as well as a fully integrated online business, Target.com. Target also offers credit card and debit card products (REDcards) and owns apparel supplier The Associated Merchandising Corp. At February 2, 2008, Target employed approximately 366,000 full-time, part-time and seasonal employees.

### Contact Information

**CEO:** Gregg W. Steinhafel, President, CEO, and Director  
**Chairman:** Robert J. Ulrich

**Website:** www.target.com

**Address:** 1000 Nicollet Mall Minneapolis, MN 55403 United States

## Board Oversight

**Score: 3**

### Board Committee/Member

Corporate Responsibility Committee

### Board Role

According to its charter, the Corporate Responsibility Committee has the responsibility to “oversee the Corporation’s programs in response to previously identified public issues.” However, Target does not indicate if this committee reviews climate change issues specifically.

### Board Training

None identified.

## Management Execution

**Score: 8**

### CEO Leadership

None identified.

### Company Strategy

In the “Environmental” section of its website, Target states: “As a responsible corporate citizen, Target recognizes the importance of understanding our carbon footprint. With growing scientific evidence of the threat of global warming, Target is working aggressively to identify ways to minimize our carbon footprint.” Such steps to reduce its carbon footprint include developing an emissions inventory, reporting through the Carbon Disclosure Project, and improving the energy efficiency of its buildings. In its response to the Carbon Disclosure Project, Target says that it “recognizes the need to reduce its carbon footprint regardless of regulation and is focused on energy efficiency as a means to reduce GHG emissions.” Minimizing the company’s carbon footprint is one of six goals outlined in the company’s “environmental philosophy.”

### Executive Responsibility

Target’s Sustainability team is responsible for implementing climate change initiatives within the company. The team includes executives from the company’s Product Design

and Development and Property Development departments. According to Target, the Sustainability team is “responsible for the development of the company’s sustainability policy and strategy and is currently coordinating efforts and priorities across the company.” The team is comprised of several sub-committees, each including experts from across the company to work on specific sustainability issues such as the company’s carbon footprint, sustainable facilities, product lifecycle, and transportation. These sub-committees are managed by a Sustainability Manager. The teams report their progress on a quarterly basis to the full Sustainability team, which in turn provides updates to senior leadership several times throughout year.

<i>External Initiatives</i>	Target has joined the following initiatives: USEPA Climate Leaders; USEPA ENERGY STAR; US Green Building Council Portfolio Program.
<i>Employee Training</i>	None identified.
<i>Executive Compensation</i>	None identified.

## Public Disclosure

**Score: 7**

<i>Annual Report</i>	In its 2007 Annual Report, Target briefly highlights its efforts to purchase renewable energy as an example of the company’s commitment to sustainability. Target also notes its participation in the U.S. Green Building Council’s Portfolio Program pilot.
<i>Securities Filings</i>	No climate change mention.
<i>Other Disclosure</i>	Target discusses its climate change initiatives on the company website and in its 2007 corporate responsibility report.  <b>Sustainability Report:</b> <i>Target Corporate Responsibility Report 2007</i> , June 2007 <b>URL:</b> <a href="http://sites.target.com/images/corporate/about/responsibility_report/responsibility_report_full.pdf">http://sites.target.com/images/corporate/about/responsibility_report/responsibility_report_full.pdf</a> <b>GRI Accordance:</b> 2002 CI
<i>Carbon Disclosure Project</i>	Answered Questionnaire (Public)
<i>CDP6 Risk Disclosure</i>	In its CDP6 response, Target identifies regulatory, physical, and consumer risks associated with climate change that could impact the company. The company states that while it is “not regulated by current legislation, the company continues to monitor policy proposals.” Target says that although future regulation will most likely focus on direct emitters of GHG emissions, the company is “likely to experience some level of impact,” and its “strategy of driving energy efficiency through equipment selection, operational practice and exploration of innovative technologies will help to...position [the company] to respond to potential regulatory risks associated with climate change legislation.” The company also states that it believes “the economic impact due to climate change legislation will most likely effect [sic] energy rates as well as the potential value of renewable energy credits.”  Regarding physical risks associated with climate change, the company notes that “understanding the financial impacts associated with physical risks is critical to [its] success as a retailer.” The company describes its response to a number of natural disasters in its areas of operation, including wildfires in California, storms in Texas and Virginia, as well as a tornado in Virginia.

Recognizing that “climate change and the topic of sustainability are likely to shift purchasing habits as more and more consumers are looking for opportunities to reduce their individual and family’s impact on the environment,” Target says that it sees opportunities to meet growing demand for “environmentally-friendly products.”

*Public Policy*

In its CDP6 response, the company states: “Target supports a voluntary approach to the climate change issue, including policies such as clean energy tax incentives. These incentives help reduce global warming pollution through increased use of renewable energy sources; promote consumer use of energy-efficient products; help create new, high-wage jobs; and reduce energy costs for consumers and businesses.” Targets says it “works proactively with lawmakers, both directly and through retail industry associations, to develop policy solutions that bring about good environmental stewardship, make business sense, and contribute to the health of our communities.”

## Emissions Accounting

**Score: 11**

*GHG Emissions Inventory*

**Year:** 2007

**Facility/Region:** Global

**Protocol:** GHG Protocol

<b>Emissions</b>	<b>CO<sub>2</sub>e (Metric Tonnes)</b>
<b>Scope 1 (Direct)</b>	<b>248,113</b>
<b>Scope 2 (Indirect –Electricity)</b>	<b>2,709,887</b>
<b>Scope 3</b>	—
Travel	—
Logistics	—
Products	—
Supply Chain	—

*Accounting Methods*

The methodology and calculation procedures used by Target are in accordance with U.S. EPA Climate Leaders guidelines, which are based on GHG Protocol guidelines.

*External Verification*

Target’s emissions inventory is reviewed for accuracy by United States Environmental Protection Agency’s (USEPA) technical assistance contractor as part of Target’s participation in the Climate Leaders program.

*Certified CO<sub>2</sub> Offsets*

None identified.

## Strategic Planning

**Score: 8**

*Emissions Reduction Targets*

Target says that it is “currently working with USEPA Climate Leaders Program to set an emissions reduction goal.”

*Energy Efficiency*

According to the company, energy efficiency is a central component to Target’s climate change strategy. In its 2007 sustainability report, Target states: “We recognize that climate change could adversely impact us by producing higher energy costs, increased operational

expenses (to track and manage climate-change issues) and incremental capital investment (for carbon dioxide reduction projects.) As a result, Target puts tremendous focus on best practices for energy efficient building design and operations.” The company says that it focuses primarily on the systems that consume the greatest portion of its energy needs, including lighting and heating, ventilation and air conditioning (HVAC) equipment. Target says that it uses an integrated energy management system controlled at its headquarters, allowing the company to implement company-wide energy policies. Target is also implementing a number of other energy-saving initiatives in its stores, including:

- Retrofitting lighting systems to reduce energy consumption by 22 percent;
- Installing light-emitting diodes (LED) in place of neon for all new stores’ exterior signage, resulting in an 80 percent energy savings and reduced maintenance costs;
- Implementing motion-sensor lighting in stock rooms.

Three of Target’s stores have received LEED certification. The company is also expanding its Demand Management program to better monitor and control energy use.

#### *Renewable Energy*

Target currently purchases 0.53 percent of its electricity from renewable energy sources. In July 2006, the company negotiated a multi-year energy-supply contract with Minnesota Methane, which supplies Target energy from a plant in the Los Angeles Basin. This contract fulfills Target’s resource adequacy (RA) capacity requirement and Target’s entire renewable portfolio standard (RPS) requirement for 2006 through 2009 for its operations in California.

Target has 18 stores in California that have rooftop photovoltaic solar panels installed on them. Each of these systems generates 20 percent of the store’s electrical needs and 50 percent of the typical daily peak energy needs. In 2009, Target will add three new stores in Hawaii, each of which will have a rooftop solar system.

#### *Emissions Trading*

Target does not have operations covered by the EU Emissions Trading Scheme.

#### *Products and Services*

Target says that it recognizes potential climate-related opportunities from shifting consumer demand “with the growing awareness of the environment, climate change and health and fitness.” Target says that it has already begun to offer its clients a wider selection of climate-related products, such as Energy Star-rated electronics, appliances and lighting. The company states: “As consumer awareness and concern over climate change grows, we strive to meet our guests’ expectations. As guests take a more active role in lowering their own carbon footprint, we want to be prepared to offer them the opportunity to do so. We will continue to identify appropriate partners, such as The Climate Group, to help enhance our credibility as well as educate our team members to ensure the issue remains top of mind.”

#### *Research & Development*

None identified.

#### *Supply Chain Management*

Target does not yet measure greenhouse gas emissions associated with the company’s supply chain. The company states in its CDP6 response: “[As] understanding grows, Target will expand its understanding of the impact of its supply chain on the environment; however, we realize this will be a complex project involving partnering with numerous suppliers to gather emissions data.”

# BEST BUY Co., INC.

STOCK EXCHANGE – BBY  
Big Box Retail

Best Buy has developed a greenhouse gas (GHG) emissions inventory, but has not yet publicly disclosed the inventory. The company recently announced an emissions reduction target which will be achieved in the next four years, and has also committed to achieving LEED certification for most new stores.

**Summary Score: 36**

## Company Information

Best Buy Co., Inc. (Best Buy) is a specialty retailer of consumer electronics, home office products, entertainment software, appliances and related services. The Company operates retail stores and Web sites under the brand names Best Buy, Five Star, Future Shop, Geek Squad, Magnolia Audio Video, Pacific Sales Kitchen and Bath Centers, and Speakeasy. Best Buy operates through a Domestic business segment and a separate International segment (comprised of its Canadian stores and services as well as its Chinese Best Buy and Five Star stores). At the end of fiscal 2008, Best Buy operated 928 stores and employed approximately 150,000 full-time, part-time and seasonal employees worldwide.

### Contact Information

**Chairman:** Richard M. Shulze

**CEO:** Bradbury H. Anderson

**Website:** [www.bestbuy.com](http://www.bestbuy.com)

**Address:** 7601 Penn Avenue South Richfield, MN 55423 United States

## Board Oversight

**Score: 4**

### Board Committee/Member

Best Buy's Board of Directors includes a Nominating, Corporate Governance, and Public Policy committee with responsibility for "responding to management's point of view regarding corporate social, political and environmental trends and public policy issues" and offering "advice and counsel to management regarding the effectiveness of the Company's social responsibility programs." The committee is entirely composed of independent board members.

### Board Role

In 2006 Best Buy's Board of Directors requested that the company establish a Corporate Social Responsibility Governance Committee. In addition, the full Board of Directors reviews the company's Corporate Social Responsibility report annually.

### Board Training

None identified.

## Management Execution

**Score: 10**

### CEO Leadership

None identified.

### Company Strategy

Best Buy says that it is "constantly seeking ways to reduce [its] environmental footprint," and is "currently designing a portfolio of emissions reduction options." The company's primary focus is energy efficiency, waste minimization, and recycling, focusing both on its products and operations. The company states: "We believe that if we first look at the environmental impact of what we sell in our stores, and the amount of energy our stores use to operate, we can then make better decisions and reduce our environmental impact as we continue to grow and expand into communities around the world."

## BEST BUY Co., INC.

<i>Executive Responsibility</i>	Best Buy's Corporate Responsibility Leadership Team, comprised of senior company executives, is responsible for managing the company's social and environmental initiatives, including climate change. Brenda Mathison, Director of Environmental Affairs, heads the company's environmental programs, including energy conservation initiatives. Mathison is responsible for reviewing the company's programs and metrics and preparing summaries presented to senior executive management.
<i>External Initiatives</i>	The company has joined the following external initiatives: US EPA Climate Leaders; US EPA SmartWay program.
<i>Employee Training</i>	In fiscal year 2008 Best Buy implemented extensive ENERGY STAR employee training programs across the United States to ensure that "customer needs for energy efficiency information could be met confidently." These programs earned Best Buy the ENERGY STAR Excellence in Appliance Retailing Award, and are now used as a model by the Department of Energy and the EPA.
<i>Executive Compensation</i>	None identified.

### Public Disclosure

Score: 3

<i>Annual Report</i>	No climate change mention.
<i>Securities Filings</i>	No climate change mention.
<i>Other Disclosure</i>	Best Buy discusses its energy conservation efforts in its annual corporate responsibility report. <b>Sustainability report:</b> <i>Think Ahead. Corporate Responsibility: Our Aspirations and Fiscal 2008 Performance Report</i> , June 2008 <b>URL:</b> <a href="http://www.bestbuyinc.com/assets/corporate_reponsibility/08_report/CSR_2008_Final.pdf">http://www.bestbuyinc.com/assets/corporate_reponsibility/08_report/CSR_2008_Final.pdf</a> <b>GRI Accordance:</b> G3 Draft
<i>Carbon Disclosure Project</i>	Answered Questionnaire (Public)
<i>CDP6 Risk Disclosure</i>	In its CDP6 response Best Buy acknowledges that "any government-imposed energy efficiency standard or regulatory measure to control carbon emissions may increase costs." However, the company believes these costs would represent "a relatively small proportion of Best Buy's cost base and would most likely be partially offset by increased efficiencies in energy consumption and use." Best Buy also notes that extreme weather events could impact the company's store locations or supporting infrastructure, rendering it unable to achieve projected revenue or perform operations. In addition, Best Buy acknowledges it is "exposed to the physical risks other industries are exposed to" through its supply chain.
<i>Public Policy</i>	None identified.

### Emissions Accounting

Score: 2

<i>GHG Emissions Inventory</i>	Best Buy joined the EPA's voluntary Climate Leaders program in 2007 and has since developed a GHG emissions inventory. The company has not yet publicly disclosed its emissions.
<i>Certified CO<sub>2</sub> Offsets</i>	None identified.

## Strategic Planning

Score:17

### Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
<b>GHG Emissions (Intensity)</b>	<b>8% per sq. foot</b>	<b>2005</b>	<b>2012</b>	<b>Global</b>

#### Target Details

Best Buy has publicly stated its GHG emissions reduction goal on the EPA Climate Leaders reporting website.

#### Target Achievement

None identified.

#### Renewable Energy

None identified.

#### Emissions Trading

None identified.

#### Energy Efficiency

In 2007 Best Buy announced that all new stores would meet the qualifications of the LEED certification, beginning in mid-2008. Best Buy's store prototype received LEED "pre-certified" approval in September 2008. Three new store locations are scheduled to open in Feb. 2009 and will be certified using the approved program. Best Buy has also partnered with the U.S Department of Energy in a multiple-year research project to reduce energy use by 50 percent in new stores and 30 percent in remodeled stores. The reduction in energy is being measured by a standard from the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE), and Best Buy is already 15 percent below the standard.

In addition, in fiscal year 2008 Best Buy performed lighting retrofits at 31 retail locations to install high efficiency lighting. The company plans to continue these efforts through fiscal year 2009.

#### Products & Services

Best Buy says that it has identified "many opportunities that arise out of the changing regulatory environment." As the recipient of the ENERGY STAR's Excellence in Appliance Retailing Award, the company is expanding its efforts to market ENERGY STAR products in its stores. Best Buy estimates that energy saving in homes through the purchase of energy efficient products at its stores has resulted in a total energy savings of over 960 million kWh per year resulting in a reduction of 1.479 billion pounds of carbon. Best Buy states in its 2008 corporate responsibility report that its plans to focus specifically on reducing the environmental impacts of its products during fiscal year 2009.

#### Research & Development

None identified.

#### Supply Chain Management

According to the company, Best Buy's social and environmental responsibility team, located in Shenzhen, China, "invests significant time and resources to not only audit the factories where Exclusive Brands products are assembled, but to work with them to improve environmental processes."

In 2008 Best Buy made improvements to its logistics operations, decreasing the number of trucks on the road and eliminating over 18,000 trips for its transportation vendors. Best Buy has been an EPA SmartWay transportation program partner since 2007. In 2008, Best Buy announced a "no idling" commitment for retail and logistics transportation.

Lowe's has not made public a formal strategy to address the risks and opportunities posed by climate change. There is no evidence of board or executive leadership with respect to climate change, and the company has not publicly disclosed a greenhouse gas (GHG) emissions inventory or set emissions reduction targets. However, Lowe's has established an Energy Efficiency Policy, and has taken steps to enhance the efficiency of its stores and offer energy efficient products. The company has also voluntarily posted an "energy report" on its website to disclose the company's energy use trends. The company did not comment on this profile by deadline.

**Summary Score: 17**

## Company Information

Lowe's Companies, Inc. is the world's second largest home improvement retailer. The company offers a complete line of products and services for home decorating, repair, remodeling, and property maintenance. At the end of fiscal year 2007, the company operated 1,534 stores in Canada and the United States and employed approximately 160,000 full-time and 56,000 part-time employees.

### Contact Information

**Chairman/CEO:** Robert A. Niblock

**Website:** [www.lowes.com](http://www.lowes.com)

**Address:** 1000 Lowe's Boulevard Mooresville, NC 28117 United States

## Board Oversight

**Score: 0**

*Board Committee/Member* None identified.

*Board Role* None identified.

*Board Training* None identified.

## Management Execution

**Score: 3**

*CEO Leadership* None identified.

*Company Strategy* Lowe's has established an Energy Efficiency Policy, which states: "Lowe's views energy efficiency measures in our facilities as one of the best opportunities to decrease operating costs as we develop new stores and retrofit existing stores." The company does not articulate a specific climate change strategy.

*Executive Responsibility* None identified.

*External Initiatives* The company joined the following external initiatives: USEPA ENERGY STAR; USEPA SmartWay Transport Partnership.

*Employee Training* None identified.

*Executive Compensation* None identified.

# LOWE'S COMPANIES, INC.

## Public Disclosure

Score: 3

<i>Annual Report</i>	In the company's 2007 Annual Report Lowe's briefly mentions its initiatives to promote energy efficient products and provide energy-saving information to its costumers.
<i>Securities Filings</i>	No climate change mention.
<i>Other Disclosure</i>	<p>The Lowe's website includes an "Efficient Homes" section with information about the company's ENERGY STAR products and other energy conservation measures. The company also discusses its efforts to reduce greenhouse gas emissions in its sustainability report. In addition, Lowe's has posted an energy report on its website that provides information on the company's energy consumption trends.</p> <p><b>Sustainability Report:</b> <i>Opportunity in Every Community. 2007 Social Responsibility Report, May 2008</i> <b>URL:</b> <a href="http://images.lowes.com/2008/prj/SocialRes07.pdf">http://images.lowes.com/2008/prj/SocialRes07.pdf</a> <b>GRI Accordance:</b> None identified.</p>
<i>Carbon Disclosure Project</i>	Declined to participate.
<i>Public Policy</i>	None identified.

## Emissions Accounting

Score: 0

<i>GHG Emissions Inventory</i>	Lowe's has not publicly disclosed an emissions inventory. In response to a 2008 shareholder resolution however, the company agreed to develop a public climate change report disclosing its emissions. The company also agreed to include in the report discussions of physical and regulatory climate risk as well as its emissions management strategy.
<i>Certified CO<sub>2</sub> Offsets</i>	None identified.

## Strategic Planning

Score: 11

<i>Emissions Reduction Targets</i>	None identified.
<i>Target Achievement</i>	Not applicable.
<i>Energy Efficiency</i>	Lowe's states in its energy report: "Efficiency is a hallmark of Lowe's across all aspects of our operations...energy conservation is one of those aspects that has had our attention for over five years." The company uses a centralized energy management system to monitor its stores' energy use. Lowe's has also achieved LEED certification for its store in Southwest Austin, Texas and plans to construct LEED certified buildings for its new customer support center in Mooresville, NC. The company has retrofitted the lighting systems in two-thirds of its stores to increase efficiency; improvements include installing LED exist signs, skylights, and motion sensors. Beginning in 2002, Lowe's began installing highly efficient rooftop HVAC units in new stores and replacing the HVAC systems of its old facilities. The average energy use per Lowe's store has decreased 10 percent since 2004, and sales floor energy consumption has gone down by 40 percent.

## LOWE'S COMPANIES, INC.

*Renewable Energy* In 2007 Lowe's increased its renewable energy purchases to 86 million kilowatt hours, up from 7.9 million kilowatt hours in 2006. The company says that it intends to increase its total purchasing again in 2008.

Lowe's has also installed rooftop photovoltaic energy generating systems on four stores in Southern California, producing roughly 3.1 million kWh of energy.

*Emissions Trading* None identified.

*Products & Services* Lowe's says that it recognizes the company "is viewed by customers as the source for products to help them 'green' their lives." According to Lowe's, the number of ENERGY STAR products the company sells in a single year can save customers enough energy to eliminate greenhouse gases equivalent to more than 164,000 cars, reducing energy costs for customers by \$160 million in total. The company's ENERGY STAR product offering continues to grow each year.

*Research & Development* None identified.

*Supply Chain Management* In 2005 Lowe's joined EPA's SmartWay Transport Partnership, a collaboration between the EPA and the freight industry to reduce greenhouse gas emissions associated with shipping. Since joining the partnership, Lowe's has engaged with its shipping partners to reduce the GHG emissions associated with its transportation and freight delivery system by more than 466,000 tons of CO<sub>2</sub>e, saving 42 million gallons of diesel fuel. The company has increased its use of rail transport and has optimized the capacity of its fleet by implementing a more efficient distribution process. Lowe's has set a goal to have 90 percent of its products shipped by SmartWay Transport Partners by 2010.

Home Depot has not made public a formal strategy to address the risks and opportunities posed by climate change. There is no evidence of board leadership with respect to climate change, and the company has not developed a greenhouse gas (GHG) emissions inventory or set emissions reduction targets. Home Depot has also provided little public disclosure on its climate change initiatives. Still, the company has set energy efficiency standards for all of its facilities and is labeling products with a low environmental impact, such as energy efficiency light bulbs. The Home Depot was named the ENERGY STAR retail partner of the year for 2006 and 2007.

**Summary Score: 15**

## Company Information

Home Depot, Inc. is the largest home improvement specialty retailer in the world. The company's stores, which are full-service, warehouse-style stores, sell a wide assortment of building materials, home improvement and lawn and garden products and provide a number of services. As of the end of fiscal 2007, Home Depot operated 2,234 stores and employed approximately 331,000 associates. The company operates in the United States, Canada, Mexico, and China.

### Contact Information

**Chairman/CEO:** Frances S. Blake

**Website:** [www.homedepot.com](http://www.homedepot.com)

**Address:** 2455 Paces Ferry Rd. N.W. Atlanta, GA 30330 United States

## Board Oversight

**Score: 0**

*Board Committee/Member* None identified.

*Board Role* None identified.

*Board Training* None identified.

## Management Execution

**Score: 5**

*CEO Leadership* None identified.

*Company Strategy* The Home Depot established nine Environmental Principles, but these do not include climate-specific commitments beyond a pledge to "conserve natural resources by using energy and water wisely and seek further opportunities to improve the resource efficiency of our stores."

*Executive Responsibility* The Home Depot's Environmental Council is dedicated to addressing the environmental impact of the company's operations and products. The group is comprised of leaders from each of the company's different functions. Ron Jarvis, Senior Vice-President of Environmental Innovation, is chairman of the Council.

*External Initiatives* The company joined the following external initiatives: US EPA ENERGY STAR.

*Employee Training* None identified.

*Executive Compensation* None identified.

# THE HOME DEPOT, INC.

## Public Disclosure

Score: 3

<i>Annual Report</i>	The Home Depot briefly mentions its Eco Options program (see below) in the company's 2007 Annual Report.
<i>Securities Filings</i>	The Home Depot discusses its climate change initiatives in Item 1 (Business) of its Form 10-K. In this section the company provides information on its energy efficiency initiatives, for which is budgeted \$50 million in fiscal 2007.
<i>Other Disclosure</i>	The Home Depot has created a detailed "Eco Options" section for its website with information about the company's Eco Options products.
<i>Carbon Disclosure Project</i>	Answered Questionnaire (Not Public)
<i>Public Policy</i>	None identified.

## Emissions Accounting

Score: 1

<i>GHG Emissions Inventory</i>	None identified.
<i>Certified CO<sub>2</sub> Offsets</i>	In 2006 the Home Depot donated \$200,000 to the Conservation Fund Go Zero Program to offset the carbon emissions from the company's headquarters through reforestation in the Atlanta area.

## Strategic Planning

Score: 6

<i>Emissions Reduction Targets</i>	None identified.
<i>Energy Efficiency</i>	In fiscal 2007 the Home Depot budgeted approximately \$50 million for energy efficiency related projects. By replacing HVAC units in approximately 200 existing stores and switching to the use of T-5 lighting in approximately 600 existing stores, the company estimates that it saved approximately \$20 million in energy costs since fiscal 2006. In addition, The Home Depot has implemented strict energy efficiency standards for all of its facilities, reducing 907 million pounds of GHG emissions.
<i>Renewable Energy</i>	None identified.
<i>Emissions Trading</i>	None identified.
<i>Products &amp; Services</i>	The Home Depot launched its Eco Options program in 2007, a labeling initiative that allows customers to easily identify products with a low environmental impact. Through this program the Home Depot has actively promoted a number of energy-efficient ENERGY STAR products, and the company gave away one million compact fluorescent light bulbs as part of the Eco Options launch. The company has introduced a label for nearly 3,000 products but expects this number to grow to 6,000 products by 2009. The Home Depot was named the ENERGY STAR retail partner of the year for 2006 and 2007.
<i>Research &amp; Development</i>	None identified.
<i>Supply Chain Management</i>	Home Depot says that it works actively with its suppliers to bring more ENERGY STAR products to market. The company has also implemented a Supplier Social and Environmental Responsibility Program to ensure that its suppliers "adhere to the highest standards of social and environmental responsibility."

# COSTCO WHOLESALE CORP.

NASDAQ – COST  
Big Box Retail

Costco has not made public a formal strategy to address the risks and opportunities posed by climate change. There is no evidence of board leadership with respect to climate change, and the company has not developed a greenhouse gas (GHG) emissions inventory or set emissions reduction targets. However, the company recently created a Corporate Sustainability and Energy Group to manage its climate change initiatives and it is planning to complete 13 large-scale photovoltaic installations by the end of 2008. The company did not comment on this profile by deadline.

**Summary Score: 14**

## Company Information

Costco Wholesale Corporation operates membership warehouses offering products in a wide range of merchandise categories. At Sept 2, 2007, Costco operated 488 membership warehouses, mainly in the United States, Canada, and United Kingdom. The company also operates several warehouses in Japan, Korea, and Taiwan. Costco employs roughly 127,000 full-time and part-time employees.

### Contact Information

**Chairman:** Jeffrey H. Brotman

**CEO:** James D. Sinegal

**Website:** [www.costco.com](http://www.costco.com)

**Address:** 999 Lake Drive Issaquah, WA 98027 United States

## Board Oversight

**Score: 0**

*Board Committee/Member* None identified.

*Board Role* None identified.

*Board Training* None identified.

## Management Execution

**Score: 5**

*CEO Leadership* None identified.

*Company Strategy* Costco states in its 2007 Annual Report: "As Costco continues to grow, we are mindful of our responsibilities as an environmental steward in managing our new construction and our ongoing operations." The company does not articulate a specific strategic response to climate change, but notes that energy efficiency measures offer cost-cutting opportunities to the company. Costco states: "We, like other retailers, consume energy; and energy conservation offers Costco one of the best opportunities to reduce our utility bills and our greenhouse gas emissions."

*Executive Responsibility* In 2007 Costco created the Costco Corporate Sustainability and Energy Group. The company says that the group is working to "gather data and convert program results into a greenhouse gas emission accounting framework using internationally accepted protocols and environmental standards."

*External Initiatives* The company has joined the following external initiatives: US EPA ENERGY STAR; US EPA Climate Protection Partnership.

## COSTCO WHOLESALE CORP.

*Employee Training* Costco implemented a Commute Trip Reduction program 13 years ago, offering subsidies to employees to “vanpool.” The company now has 65 vans at its corporate offices for employee commuting.

*Executive Compensation* None identified.

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### Public Disclosure

**Score: 3**

*Annual Report* Costco’s 2007 Annual Report includes two pages describing the company’s initiatives to improve the energy efficiency of its warehouses, reduce waste, and sell energy-efficiency products such as compact fluorescent light bulbs.

*Securities Filings* No climate change mention.

*Other Disclosure* None identified. Costco says that it intends to publish a sustainability report by the end of 2008.

*Carbon Disclosure Project* Answered Questionnaire (Public)

*CDP6 Risk Disclosure* Costco does not discuss climate-related risks in its CDP6 response.

*Public Policy* None identified.

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### Emissions Accounting

**Score: 0**

*GHG Emissions Inventory* Costco has not conducted a GHG emissions inventory. The company states in its 2007 Annual Report: “To measure and monitor our greenhouse gas emission impact we are gathering information to create a benchmark of our company-wide CO<sub>2</sub> emissions in order to set up future key performance indicators.”

*Certified CO<sub>2</sub> Offsets* None identified.

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### Strategic Planning

**Score: 6**

*GHG Emissions Targets* None identified.

*Target Achievement* None identified.

*Energy Efficiency* Costco’s metal pre-engineered warehouse design, which the company commonly uses in building new stores, is consistent with the requirements of the Silver Level LEED certification.

*Renewable Energy* Costco plans to complete 13 large-scale photovoltaic installations by year-end 2008.

*Emissions Trading* None identified.

*Products & Services* Costco notes in its 2007 Annual Report that its sales of compact fluorescent light bulbs increased to more than 28 million bulbs in 2007, up from 17 million in 2006.

*Research & Development* None identified.

*Supply Chain Management* Costco is in the process of replacing its plastic clamshell packaging with paper-blister hybrid packaging. The company has also implemented a number of waste reduction and recycling initiatives; for example, customers are encouraged to use leftover cardboard boxes from shipping to carry home their purchases.

# BED, BATH & BEYOND INC.

NASDAQ – BBBY  
Big Box Retail

Bed, Bath, and Beyond's climate change strategy acknowledges the importance of addressing climate change issues across all aspects of the company's business—including its operations, supply chain, and products. However, there is no evidence of board leadership with respect to climate change, and the company has not completed a greenhouse gas (GHG) emissions inventory or set emissions reduction targets. Bed, Bath, and Beyond has also provided little public disclosure on its climate change initiatives. The company declined to comment on this profile.

**Summary Score: 10**

## Company information

Bed Bath & Beyond Inc. and its subsidiaries is a chain of retail stores, operating under the names Bed Bath & Beyond, Christmas Tree Shops, Harmon and Harmon Face Values and buybuy BABY. The company sells a wide assortment of merchandise, including domestics merchandise and home furnishings as well as food, giftware, health and beauty care items and infant and toddler merchandise. Bed, Bath & Beyond operates 971 stores in 49 states, the District of Columbia, Puerto Rico and Canada. As of March 1, 2008, the company employed approximately 39,000 persons in full-time and part-time positions.

### Contact Information

**Chairman:** Warren Einsenberg (Co-Chair), Leonard Feinstein (Co-Chair)  
**CEO:** Steven H. Temares

**Website:** [www.bedbathandbeyond.com](http://www.bedbathandbeyond.com)

**Address:** 650 Liberty Avenue Union, NJ 07083 United States

## Board Oversight

**Score: 0**

*Board Committee/Member* None identified.

*Board Role* None identified.

*Board Training* None identified.

## Management Execution

**Score: 7**

*CEO Leadership* Co-chairmen Warren Einsenberg and Leonard Feinstein and CEO Steven H. Temares provide information about the company's energy efficiency and renewable energy initiatives in their annual letter to shareholder preceding the 2006 Annual Report. The 2005 annual letter to shareholders also stated: "The broader concerns over energy costs, our nation's dependence on foreign oil, the rate of consumption and environmental impacts of fossil fuels, deforestation, and global warming, must be our concerns as well." Messrs. Einsenberg, Feinstein, and Temares do not address these issues in the company's 2007 annual report.

*Company Strategy* In its CDP5 response Bed, Bath & Beyond states: "Our Company, as described in more detail below, has long been committed to a course of conservation in terms of our own energy use. Our continued success in doing so may help mitigate risks associated with energy shortages or regulation. We are aware that our conservation efforts can and should extend now from our own operations outward, back through our own supply chain and forward, to our customers, by presenting them with merchandise that may aid them in their own efforts at home."

# BED, BATH & BEYOND INC.

*Executive Responsibility* In 2006 Bed, Bath & Beyond established a committee comprised of senior management to oversee and coordinate the company's efforts in the area of energy conservation and other environmental issues, and to evaluate the company's public disclosure on these issues. The committee includes several Vice Presidents and Director-level personnel, and pulls together representatives from across the business, including operations, procurement, merchandise buying and allocation, legal/disclosure compliance, advertising/branding, supply chain, construction and facilities.

*External Initiatives* None identified.

*Employee Training* None identified.

*Executive Compensation* None identified.

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## Public Disclosure

Score: 0

*Annual Report* No climate change mention.

*Securities Filings* No climate change mention.

*Other Disclosure* None identified.

*Carbon Disclosure Project* Answered questionnaire (Not Public)

*Public Policy* None identified.

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## Emissions Accounting

Score: 0

*GHG Emissions Inventory* None identified.

*Certified CO<sub>2</sub> Offsets* None identified.

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## Strategic Planning

Score: 3

*Emissions Reduction Targets* None identified.

*Energy Efficiency* Bed, Bath, & Beyond retrofitted nearly all its stores opened prior to 2001 with enhanced energy management systems to control energy consumption. The company has since undertaken several initiatives to improve the energy efficiency of its operations, including opening a store that incorporates a range of design and technology features to reduce energy consumption such as skylights coupled with automatic light dimmers and advanced control programming in a system. The store also features compact fluorescent lighting in vignettes, LED building sign lighting instead of neon, and a number of other conservation technologies including solar sink faucets that use ambient light to power the equipment that automatically turns water on and off, saving both energy and water. The company also buys hybrid cars for certain personnel whose jobs entail frequent car travel.

*Renewable Energy* Bed, Bath & Beyond has plans to install solar energy systems on four New Jersey facilities. The company estimates that the combined solar power installations should conserve 109,500 barrels of oil and reduce carbon dioxide by 38 million pounds over 30 years.

## BED, BATH & BEYOND INC.

<i>Emissions Trading</i>	None identified.
<i>Products &amp; Services</i>	None identified.
<i>Research &amp; Development</i>	None identified.
<i>Supply Chain Management</i>	None identified.