

Change of HEAR

Why is Wal-Mart going green?
To save money—and because
it's afraid of teenage girls.

BY MATTHEW BUDMAN // PHOTOS BY ANDREAS LARSSON

WAL-MART KEEPS YOU GUESSING.

Sure, we're talking about the same union-busting steamroller that still bends entire national economies to its will and dictates the agenda for thousands of suppliers the world over. Its low-price-no-matter-what business model hasn't changed a bit.

But over the last several years, *everything* has changed for Wal-Mart—at least when it comes to environmental issues. And the ramifications are enormous: The world's largest retailer is looking toward the next generation of shoppers through green-tinted glasses, making sustainability a cornerstone of the company's future. And Wal-Mart, with its mammoth size and influence, is aggressively driving everyone to follow suit. "This company with such scale and power and reach, a company able to move markets and direct suppliers to do its will—for the first time that power is being used to do something other than crush local businesses or gain an advantage in a way that can be perceived as negative," Ed Humes remarks. "The company is using its power to advance the cause of sustainability."

Humes had written nonfiction books on a variety of topics, most recently *Eco Barons: The Dreamers, Schemers, and Millionaires Who Are Saving Our Planet*, and never expected to be sucked into the world of big business. But the story of Wal-Mart's turnabout was too compelling to pass up, and the result is *Force of Nature: The Unlikely Story of Wal-Mart's Green Revolution* (HarperBusiness), which lays out both the company's short-term business case for sustainability, based on efficiency and waste reduction, and the long-term case: namely, addressing the problem that today's socially conscious teenage girls—tomorrow's key consumers—currently shop at Target.

Humes spoke from his home in Orange County, Calif.

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BEFORE YOU GOT IMMERSSED IN THIS STORY, HOW OFTEN DID YOU SHOP AT WAL-MART?

Not often. I had my first newspaper job pretty much right out of college, in Arkansas, where I worked for the *Pine Bluff Commercial*, a little daily newspaper. One of the few places to shop in town for non-grocery items was Wal-Mart, which was then still pretty much a regional business. And then I lived in parts of the country where Wal-Mart wasn't really much of a factor. I had not been in one in many years. In undertaking this project, I had to reacquaint myself with the stores and the company.

HOW HAVE YOUR FRIENDS AND FAMILY REACTED WHEN YOU'VE SAID NICE THINGS ABOUT WAL-MART?

The initial reaction was skepticism. There's a wonderful independent bookstore that has always been supportive and has had me in a number of times, and they said, "Ed, we love your work, but there's no way we're having an event where somebody says something positive about Wal-Mart—it ain't going to happen."

And certainly I was pretty skeptical at the outset too. But once you start looking at the evidence, this is a genuinely hopeful trend, opening the door for other industries to consider the value of sustainability to their businesses. And if you care about the environment, if green is a priority, it's been a difficult time—the usual allies really aren't working out so well. So a lot of people are more intrigued than skeptical: People want it to be true, this notion that a big business like Wal-Mart could be embracing more planet-friendly policies.

BUT YOU DON'T SHY FROM EXPLORING AT LENGTH ALL THE REASONS WHY SO MANY PEOPLE HAVE LONG HAD A VISCERAL REACTION AGAINST THE STORE.

It was critical not to have this book come off as an ode to Wal-Mart; I personally think that if you hate the company you need to know about this story even more. It's ironic that a company that has so long been targeted by progressives and environmentalists is now the counterweight to a lot of the rhetoric that's coming out of Washington: *Green is bad for the economy, it's a job-killer, we can't pay attention to climate change and to renewable energy because they're going to drag us down.* Here's Wal-Mart saying, "That's crazy talk." This is the ultimate red-state company, and it's giving environmentalists ammunition against the anti-green rhetoric: "Wal-Mart says it's good for business." If I were running the Sierra Club, I'd be all over that.

YOU NOTE THAT A KEY MOTIVATION FOR THE SUSTAINABILITY INITIATIVE WAS TO IMPROVE THE COMPANY'S REPUTATION AFTER ALL THESE YEARS OF BASHING. AND IT CERTAINLY HAS DONE SO WITHIN THE CORPORATE-SOCIAL-RESPONSIBILITY MOVEMENT. BUT WHAT ABOUT FOR EVERYONE ELSE? DOES THE SUSTAINABILITY WORK CANCEL OUT EVERYTHING ELSE WAL-MART DOES?

No, of course not. But it's hard to criticize a company for using its power to achieve what's widely perceived to be a social good. If you're a Wal-Mart critic, it leaves you between a rock and a hard place. What a lot have done is say, grudgingly, Well, on sustainability maybe they have it right. You have people like Jeff Hollender, formerly of Seventh Generation, and Yvon Chouinard of Patagonia saying, "Over my dead body, I'll work with Wal-Mart" . . . and then working with Wal-Mart. They say, "You know what, this is for real, and Wal-Mart can certainly move a lot more widgets than Patagonia can—why *wouldn't* I want to work with them?"

Adam Werbach, president of the Sierra Club, consulted with the company, and his environmentalist colleagues were aghast: *You're sleeping with the enemy! What has gotten into you?* And he said, "Yes, I called them the devil; yes, I said Wal-Mart is a new breed of toxic; but then they came to me and asked me to take charge of instructing a million of their employees in what it means to be green. How could I say no to that? I've been trying to reach these people for their entire careers, and now the company is underwriting it. They're coming to me and wanting to learn about being sustainable. Of *course* I'm going to do it."

WERE YOU SURPRISED TO LEARN, THE DEEPER YOU GOT INTO THE STORY, JUST HOW FAR WAL-MART HAS GONE IN THIS DIRECTION?

Some things were very surprising. I'm old enough to remember the first Earth Day and the feeling that big business was the environmental problem. And so one of the things that surprised me was Wal-Mart's 2005 announcement of aspirational goals. Management said that the environment is Hurricane Katrina in slow motion and that the company needs to respond to it in the same way that it sent water and food and relief to the Katrina victims. But then they set concrete goals—zero waste, 100 percent renewable energy—that were so far away from where the company was that they were mocked as greenwashing. Well, surprise: Wal-Mart in California has reduced its waste to landfill by 81 percent.

OH, MY.

Yeah—oh, my. Could *you* do it? Could *I* do it? Could I cut to a fifth the size of the stuff I put by the curb? And not only has Wal-Mart made significant progress toward that zero-waste goal—the company is taking the program worldwide now—but it's making money by repurposing waste. It's making dog beds out of plastic bottles and compost out of organic waste and donating to food banks epic amounts of food that previously would have been trashed.

Wal-Mart's U.S. stores have had some tough times in this tough economy, and now they make \$100 million a year from selling waste. They used to pay people to haul the stuff away. You know how much stuff they have to sell, with their margins, to make \$100 million? They pulled that off in five years.

WITH THE FIRST PACKAGING CHANGES, WHICH SAVED MILLIONS OF DOLLARS AND TURNED WASTE INTO REVENUE, PEOPLE AT WAL-MART ASKED, "WHY DIDN'T WE DO THIS YEARS AGO?" WHY DO YOU THINK THEY DIDN'T? IT SEEMS LIKE VERY LOW-HANGING FRUIT, ESPECIALLY IN A DISCOUNTING ENVIRONMENT, IN WHICH PEOPLE ARE TRYING TO ROOT OUT EVERY LAST STRAY DOLLAR.

Well, they needed a catalyst, and that's where the story of river guide and consultant Jib Ellison comes in. Jib didn't invent the idea that sustainability is good for business, but he has a way of presenting it to the CEOs of big companies in a way that academics and environmentalists haven't been able to do. He's been nicknamed "the CEO whisperer" for getting the lords of big corporations to consider these ideas seriously. Anyway, Jib met with Wal-Mart CEO Lee Scott, and Scott got it right away.

TIMING WAS A FACTOR, RIGHT?

Jib came along at the right time. Wal-Mart needed to repair its image and was fishing around for a way to do that, and his message resonated. So he persuaded the company to start looking at things differently. People began asking, Why are we doing these things? and oftentimes there wasn't a good answer for it. One guy asked, Why are we getting wax-coated chicken boxes that can't be recycled and we're sending to the landfill by the ton, when for years the chickens have been put in plastic bags before being put into the wax boxes? So now they get millions of chickens—nobody sells more of them—in regular cardboard boxes that can be recycled. They're saving a lot of money, they're saving a lot of trees, and they're saving a lot of space in landfills. It's a win across the board.

But to get to that point, people had to start asking a new kind of question. In the United Kingdom, somebody asked, Why do toothpaste tubes come in boxes? The tubes are structurally stronger than the cardboard boxes they come in. It's a 50 percent waste of packaging. So Wal-Mart is getting rid of those toothpaste boxes in their U.K. stores. Of course, this is apparently too radical for the U.S. market. But eventually they'll say, OK, it's safe to get rid of the toothpaste box here in America.

SOMEDAY WE'LL BE NOSTALGIC ABOUT IT: REMEMBER THE TIME WHEN TOOTHPASTE CAME IN BOXES?

Like deodorant. Remember when each can used to come in a box? So Wal-Mart is now continually looking for those kinds of opportunities. Some of it is very incremental: We're going to lower our packaging by 5 percent across the board. Five percent—big deal, right? Well, that's \$3.5 billion in savings.

OF COURSE, IN READING ANYTHING ABOUT WAL-MART, THE SCALE IS ENORMOUS: YOU'RE ALWAYS DEALING WITH BILLIONS AND TRILLIONS. IF THE STORE DECIDES TO SELL SOMETHING, IT WILL SELL MORE OF THAT THING THAN ANYONE ELSE IS SELLING.

It's true. But a lot of Wal-Mart's nuts-and-bolts sustainability efforts are so commonsense that they can work for smaller businesses or even households. The company has energy audit teams that it sends out to suppliers, and it's basic stuff: Install more efficient lighting, and clean those filters and coils that you haven't looked at in twenty years. It's stuff that everybody should be doing anyway, and the savings are instant and dramatic. Who *doesn't* want their utility bills to go down 30 percent?

In factory after factory in China now, Wal-Mart and the Environmental Defense Fund and the Natural Resources Defense Council are going in and showing how to reduce the factories' carbon and energy foot-

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print. The Chinese government says to go for it, since that country is investing about seven times as much in renewable and green as the United States. The Chinese are pretty confident that that's a strong market advantage for them.

A LOT OF THESE CHANGES REQUIRE TRANSPARENCY AND COLLABORATION WITH THE LIKES OF CHINA AND THE NRDC. BUT WAL-MART HAS ALWAYS BEEN A SECRETIVE COMPANY THAT RUNS THINGS ITS OWN WAY. HOW BIG A SHIFT WAS IT TO PARTNER WITH ENVIRONMENTAL CONSULTANTS?

It was huge. We've all heard about the Bentonville Bubble—this is a company that is very prickly and defensive and sensitive to criticism. When Robert Greenwald came out with his documentary *Wal-Mart: The High Cost of Low Prices*, the company created a whole war room just to respond to the trailer for the movie. One thing Wal-Mart certainly didn't do was hobnob with its critics.

Jib Ellison worked to change that attitude. He said, You need to listen to your critics, particularly in the environmental sector—they see things you don't see, they have expertise you don't have, and they'll give you that expertise for free. They want you to do better on these fronts, and they'll be happy to come in and work with you, if you are willing to listen. So Wal-Mart people went out on field trips with environmentalists, visiting climate-change study stations and maple farms and talking about compact fluorescent bulbs.

By the time Scott gave his first public announcement on why sustainability will be important to Wal-Mart in the future, he said, The lightbulb really came on over my head, and it was a compact fluorescent bulb—and we're going to sell more of those than anybody. And they have. There are a billion CFLs now, four for every household in the country, and that's about fifteen billion tons of greenhouse gases that won't be emitted during the life of those bulbs if they displace incandescent bulbs. Wal-Mart lowered the store price and put up

big signs saying, "Buy this bulb and save forty bucks over its life." *Everybody* wants to save forty bucks if they can. In Wal-Mart's view, they've democratized sustainability for a segment of the population that really can't afford to shop at Patagonia. Why shouldn't those people have access to sustainable and greener products too?

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HAS THERE BEEN RESISTANCE TO THESE INITIATIVES INSIDE WAL-MART?

You hear pundits on the outside saying that this sustainability stuff has been a big distraction for the company. But I don't hear it from people within the company. And if the return on investment hadn't been there, they would have dropped it like a hot potato—I have no doubt about that.

Jib Ellison and Lee Scott were very cagey in their presentation to the shareholders and to the rank-and-file and to the corporate leadership at Wal-Mart, which is this: You may think at first blush that this is completely off the rails from Sam Walton's vision, but it's not. This is fulfilling Mr. Sam's mandate of being efficient and controlling costs and being a good neighbor and all the rules that he put down for us. Now we understand how sustainability fits into the Wal-Mart business model as well, and it's our fault we didn't see it before, but that doesn't mean that it's an alien concept. It's right there in our sweet spot.

Plus, rather than hiring a separate sustainability staff, which many companies do, Wal-Mart got employees to buy into the idea of sustainability as a personal project: People throughout the company see the inefficiencies and the absurdities close-up because they're dealing with them every day. And each line of the business itself is expected to be championing sustainability. So everyone's invested in it.



I COULDN'T HELP BUT FEEL FOR THE MID-LEVEL EXECUTIVES WHO ARE TASKED WITH IMPLEMENTING THIS PROGRAM. I MEAN, OF COURSE THEY'LL ALL INSIST THEY'RE ON BOARD WITH IT, BUT I WONDER WHETHER THERE'S RESENTMENT OVER SUDDENLY BEING RESPONSIBLE NOT ONLY FOR FINANCIAL RESULTS BUT FOR HOW THOSE RESULTS WERE ACHIEVED.

Well, at first there was perplexity: All of a sudden, there's a new required weekly meeting with direct reports, and there's this river guide, and we're all supposed to be talking about sustainability. What the heck is this about? Why are we doing this? And do we have to hold yet another meeting? At any company, to get past that stage, you have to have the top guy making change a priority.

And then it really caught on: For instance, transportation people were going nuts looking for the next way they could make their trucks more efficient. They're currently testing three different kinds of hybrids—manufacturers are competing to see who's going to make the best big-rig diesel hybrid that's going to be the future of Wal-Mart's fleet, which is the country's second-biggest truck fleet.

SPEAKING OF PERPLEXED PEOPLE: WHAT ABOUT THOSE WHO RAIL AGAINST CORPORATE SOCIAL RESPONSIBILITY IN WALL STREET JOURNAL EDITORIALS AND IN CONGRESS? DO YOU THINK WAL-MART'S EXPERIENCE AND ADVOCACY WILL CHANGE ANYONE'S MIND?

It's hard to change the mind of an ideologue; if you're committed to the Milton Friedman view of the universe, nothing is going to convince you. But if you're pragmatic and you just want things to work and be efficient, it's hard to deny that the kinds of environmental initiatives Wal-Mart has undertaken—and that its partners and even some of its competitors now are undertaking—are really just a better way of doing business. And it's not just Al Gore saying it anymore. Mike Duke, Wal-Mart's current CEO, says that sustainability makes even more sense in bad times.

There's still an old way of thinking that's pervasive: *If it's good for the environment, it must be bad for the economy and bad for the country and bad for jobs.* And there is a strong counterargument that's just not being made. It's being whispered about at green conferences and among the converted, but it's not getting out in front of the public. Our policymakers need to hear, loud and clear, that green is good for America. Corporate social responsibility isn't a distraction—it's an enhancement.

YOU MENTIONED COMPETITORS, AND I WANTED TO ASK ABOUT THE IMPACT ON OTHER COMPANIES. IN 2004, YOU WRITE, "MOST AMERICAN CEOS . . . HEARD THE WORD 'ENVIRONMENT' AND THOUGHT: REGULATIONS, BUREAUCRACY, LAWSUITS, OBSTACLES, DELAYS, ADDED COSTS, BAD PRESS." SEVEN YEARS LATER, DO YOU GET THE SENSE THAT THAT'S CHANGED FOR MOST AMERICAN CEOS?

I don't know if I'd say *most*. Certainly, the more visionary leaders see the value of this. But the reason why sustainability is even a topic of conversation in the business world is because Wal-Mart made it safe to be a topic of conversation, showing that it's not such a risky proposition. The best evidence of that is the sustainable-apparel coalition that Wal-Mart and Patagonia are a part of; its membership controls about 85 percent of the global apparel trade, and for the Nikes and REIs and Gaps and Marks & Spencers and other apparel retailers and manufacturers to be cooperating is amazing. The idea is to share data on how to make apparel less toxic and to reduce and measure its footprint.

That's the big challenge: How do you measure this stuff? How do you know the carbon footprint of your shoes or your toothpaste or your computer? We're still at a very primitive stage in even understanding that, especially when 90 percent of your footprint is in your supply chain. These companies are all saying, Let's get our heads out of the sand and figure this out, and then we can source our materials and our products more sustainably and eventually share that information with the up-and-coming generation of consumers, whose buying choices may be motivated more by sustainability than our current generation's. But even if it's not driven by consumers, we need that information now to be more sustainable as businesses.

IS EVERYONE REALLY ON BOARD WITH MEASURING SUSTAINABILITY? IF A SCORESHEET HAS WINNERS, IT WILL ALSO HAVE LOSERS.

This will be a slow and painful process, partly because nobody wants to be on the losing end. But that's the market at work. Having a sustainability score adds incentive for a business to have the best score, because if it doesn't, the competition will. That's why Wal-Mart advocates a national cap-and-trade energy policy, which it sees as both a job-maker and a profit-maker. The company is already sucking carbon out of its system

wherever it can because it makes economic sense to do that, and it would love legislation allowing it to monetize that even more. To me, the logic is irrefutable, but it's very hard to penetrate the old way of thinking, again, that environment equals cost.

At the Brainstorm Green Conference, Ford described coming out with a hybrid model of its Lincoln Sedan MKZ. It's \$37,000 and gets 41 miles to the gallon in city driving, compared to the conventional model, which gets 18. The cars look the same; they have the same options and features and virtually the same performance—the hybrid is about half a second to a second slower going zero to sixty, and the kind of drivers that would notice the difference aren't going to buy this car anyway. And here's the kicker: no price premium for the greener version. So what has happened? Three out of four consumers buy the conventional model.

FOR WHAT POSSIBLE REASON?

I trace it back to Jimmy Carter's cardigan. That's the day that environmentalism stopped being about saving the bald eagle from extinction, which is what got twenty million people to go out for the first Earth Day. In the early 1970s, we had a bipartisan consensus: Richard Nixon created the EPA, and the Senate, including Barry Goldwater, voted unanimously for the Endangered Species Act. But then we had Jimmy Carter, earnest Jimmy Carter. He was absolutely right that we need to conserve more, but he told Americans that environmentalism was about turning your thermostat down and wearing a sweater, and that just killed it for a lot of people. He cemented the idea that green was second-rate, that environmentalism was about sacrifice, and that it wasn't about making things better—it was about giving up things that we want.

And that's where businesses and average Americans have been ever since—that doing things for the planet is going to drive up costs and that something must be wrong with that. If the green version is priced the same, it's not going to be as good. To Wal-Mart's credit, the company has gotten past that way of thinking. The rest of us have some catching up to do.

ARE OTHER RETAILERS AND MANUFACTURERS SITTING BACK AND WAITING FOR WAL-MART TO DO THE WORK OF RESEARCHING SUSTAINABLE OPTIONS AND ALTERNATIVES?

If you're a Wal-Mart supplier, you can't sit back. They want the data on individual products: What's your footprint? What's your impact? How much water do you use? Do you have a greenhouse-gas emissions measurement tool, and if you don't, why not, and when are you going to get it? So there are a hundred thousand suppliers out there who aren't sitting back. An army of businesses is attacking the sustainability measurements—even if some are being dragged along only because the train's pulling out of the station and they don't want to be left behind.

HOW HAVE SUPPLIERS IN GENERAL RESPONDED TO WAL-MART'S MANDATES?

It's a mixed bag. Some that have embraced energy-efficiency goals have found it's been a good thing for them, so that's moved things along. The effort is finally making economic sense to companies like Procter & Gamble. Unilever tried switching to small bottles of concentrated detergent years ago and couldn't get any traction—customers just assumed the bigger bottles were better. So they were ecstatic when Wal-Mart wanted to resurrect the idea. Who wouldn't be delighted about saving four hundred million gallons of water from what amounted to big jugs of watered-down detergent? Everybody saves: the companies that have to haul it, the companies that put it on their shelves, the companies that make the stuff.

IT SEEMS TO ME THE ONLY WAY TO GUARANTEE THAT PEOPLE BUY MORE SUSTAINABLE PRODUCTS IS TO LEAVE THEM NO CHOICE. CUSTOMERS SWITCHED TO SMALLER BOTTLES OF CONCENTRATED DETERGENT ONLY WHEN WAL-MART STOPPED CARRYING BIG BOTTLES. IF LINCOLN WANTED TO INCREASE SALES OF ITS HYBRID MKZ, MAYBE IT NEEDED TO STOP SELLING THE REGULAR VERSION.

Maybe if you guarantee that people don't go down the block to the Chevy dealership! If your goal is to make your entire supply chain more sustainable, then that's one way of achieving that, and you don't have to worry about which products customers are buying.

WAL-MART HAS ALWAYS CLAIMED TO PUT CUSTOMERS FIRST, AND IN *FORCE OF NATURE* YOU WRITE THAT "THE ULTIMATE GOAL IS TO PUT THIS INFORMATION INTO CUSTOMERS' HANDS." THROUGHOUT, YOU NOTE THAT THE COMPANY BELIEVES ITS CUSTOMERS WILL SPEND A LITTLE MORE TO BUY GREEN, THAT THEY'LL



MAKE SUSTAINABLE CHOICES. BUT EVERYTHING I'VE READ, ESPECIALLY DURING THE RECESSION, SUGGESTS OTHERWISE—THEY'RE UNWILLING TO SPEND ANYTHING EXTRA.

Well, in a few limited areas, Wal-Mart has evidence that consumers will spend a small bit more for sustainable choices when they are firmly linked to matters of health. For instance, baby clothes that are organic and have been made without pesticides sell great: People are willing to pay a premium because it's not just protecting the planet—it's protecting our bodies and our children. But by and large—and this is true not just with Wal-Mart customers but with most American consumers—we don't make buying decisions based upon whether a product is greener than another. Price is king, particularly in difficult economic times.

So Wal-Mart has pursued sustainability in a way that is not dependent upon customers' preference. They feel like they are serving their customers' interest by making more sustainable products available; most of the economic benefits from sustainability efforts aren't dependent upon consumers selecting a particular product over another. It's because they're saving money in transportation or they're cutting energy to be more efficient. All that makes sense even without it being a marketing win for them.

A LOT OF THE CHANGES YOU DISCUSS ARE THINGS THAT CONSUMERS WILL NEVER SEE.

Exactly. When Wal-Mart shrinks a package, people who buy it don't even notice. The mistake that other businesses have made is to come out with a green product and expect it to be a hit, and when it doesn't sell, it's labeled a failure.

Wal-Mart is working on a consumer index of sustainability, and management hopes it becomes an industry standard, but they're in no hurry, because in these economic times it's unlikely to govern the buying decisions of the majority of their customers. Right now, they're using the data internally for their buying and sourcing decisions, and to guide suppliers to more efficiencies.

WHAT KINDS OF THINGS ARE SUPPLIERS DOING?

Within the Wal-Mart universe, the company has created sustainability networks of company people and consultants and environmentalists teaming up to figure out things. They have one that's for chemically intensive products—you know, products that have a skull and crossbones on them—and brought in people from the chemical industry to try to figure out what they could agree on. The question became what success would be: products that are less chemically harmful to people and the planet and still successful? Finally, all these different factions agreed: Success would be having products that didn't have skulls and crossbones on them.

Once they had that realization, they started to agree on all kinds of things and asking questions: What chemicals can we take out that are making products toxic and still have the products work? What are substitutes that we can use, and how can Wal-Mart help suppliers make those substitutions? The company offered incentives—end-cap promotions in stores, for instance—and all of a sudden it started getting whole new green lines of products. The products aren't perfect by any means, but they're starting to remove some of the more objectionable chemical compounds.



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To a retailer, it's revolutionary to have that kind of input and go back and reformulate products to be more environmentally safe. And it's not only Wal-Mart that benefits: These manufacturers aren't going to make greener stuff for Wal-Mart and dirtier stuff for everyone else. They change *everything*.

THIS ALL HAPPENS BEFORE PRODUCTS MAKE IT TO STORE SHELVES. BUT IT'S STILL KEY TO CHANGE THE WAY CONSUMERS LOOK AT AVAILABLE INFORMATION. WHEN DISCUSSING COTTON, YOU TALK ABOUT THE STORE PROVIDING AN EXTENSIVE "PRODUCT TRAIL" FROM THE GROWER ALL THE WAY TO THE LANDFILL, EVEN THOUGH THAT INFORMATION IS "FAR OUTSIDE THE WAL-MART BUYER'S NORMAL 'NEED TO KNOW.'" AND WITH WAL-MART'S ECO-FRIENDLY JEWELRY LINE, THERE'S A WEBSITE ALLOWING CUSTOMERS TO TRACK EACH ITEM, TO SEE HOW AND WHERE IT WAS MINED. HOW MANY CUSTOMERS NOT ONLY NEED TO KNOW BUT WANT TO KNOW ALL THAT? IS WAL-MART REALLY COUNTING ON CONSUMERS CHANGING THE WAY THAT THEY BUY?

Short term, no. Long term, yes. They talk about how no dominant retailer has ever carried on through the next generation and maintained its dominance, and they're worried about what happens when the current generation of consumers who shop at Wal-Mart are supplanted by their daughters, because their daughters shop at Target. What is going to get that generation to come to Wal-Mart? They believe that sustainability is going to be a driver of consumer choices for the coming generation. They hear it over and over again at job conferences and colleges: Young people say sustainability matters more than a lot of other considerations. Product tagging and sustainability ratings may not make a big difference in sales right away, but Wal-Mart seems fairly certain that it will eventually.

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YOU HAVE TWO CHILDREN, RIGHT?

I do.

ARE THEY LIKELY TO PRIORITIZE GREEN AS MUCH AS WAL-MART IS COUNTING ON?

My daughter certainly does, because she started writing the White House about environmental issues when she was 9. She's out in front of some of her peers, but not all that much out in front. *Force of Nature* is my second green-themed book, and I've had more interest from young readers in these books than almost anything else I've written. At a book signing at the Commonwealth Club in San Francisco the other night, there was an entire high-school class there; they were engaged and asking smart questions, and I was excited to have them there taking part.

WHAT ABOUT PEOPLE—OF ANY AGE—WHO INSIST THAT THE PROBLEM IS THE BIG-BOX ECONOMY IN THE FIRST PLACE?

Of course. Wal-Mart as it currently exists, just like the U.S. consumer economy as it currently exists, is the very definition of *unsustainable*. You have twelve-thousand-mile supply chains, outsourcing, and a business model that wants people to buy ever more stuff. What did President Bush say after 9/11? Go out and shop to help the economy.

So OK, then: Where do we go from there? Maybe someday there'll be a Wal-Mart that doesn't look like today's Wal-Mart—it will be the high-value leader rather than the low-price leader, with stuff that lasts longer and is durable and is still a good price. Wal-Mart goes where the demand is, and maybe that's what people will want.

If you're driving in your car at 60 miles an hour toward the edge of the cliff, before you can stop it and turn it around in the right direction, you have to slow it down. Adopting more sustainable practices—even within a model that is ultimately unsustainable—is perfectly sensible and absolutely beneficial. Slowing down that speeding car is a good thing, and that's what Wal-Mart is engaged in. When it comes to dealing with waste, the company's leaders are actually turning the car in the opposite direction; their progress on that has been nothing short of epic, and they're showing other companies how to do it. These big unsustainable enterprises are really laboring to try to find ways to be better—both greener and more profitable in the process. It's buying us time until we transition to some other thing in the distant future. ■