

**Remarks as Prepared for Delivery
Ed Chan, President and CEO,
Wal-Mart China
China Sustainability Summit
October 22, 2008**

Vice Minister Zhang Laiwu, Vice Minister Jiang Zengwei, ladies and gentlemen...

It's great to host so many of my colleagues and peers from Bentonville, from across China and the world.

I now have the honor to talk with you about Wal-Mart China and our commitment to sustainability.

This Summit comes near the end of a historic year for our country.

We have seen triumph with the Olympics in Beijing. And we have seen tragedy with the earthquake in May. Both tested our resolve. And both times, we responded with strength.

Like those events, this Summit is also an opportunity to show our commitment to solving challenges for the world.

By choosing China to host this meeting, Wal-Mart's confidence in this market is very clear. I share that confidence—because I have seen what our associates and our company can do working together...and with all of you. I also saw incredible teamwork during the times that tested us the most.

Just days after the earthquake, I met with more than 300 Trust-Mart associates, gathered in tents, at a meeting spot in Dujiangyan—one of the cities impacted most by the earthquake.

I heard stories of how our associates carried the elderly and children from the crumbling store. One associate returned twice to the collapsing building to help customers evacuate. And still, before running to safety, our associates stopped at a school to help teachers and students who were trapped.

In the days that followed, we worked hand-in-hand with the government and our suppliers to deliver aid to those in need. I have also seen our associates work hard to make Wal-Mart more environmentally responsible and to build more sustainable communities.

They have brought customers more products like CFL bulbs and reusable shopping bags. And today, many of our associates are adopting more sustainable practices in their homes.

Each of these examples reflects the willingness of our associates to step forward and take on challenges.

And today, I call on our associates to step forward once again. I call on Wal-Mart China to take on the challenge to become the most environmentally responsible retailer in China.

Few challenges in our world today are more pressing than the environment. And here in our country, we have a unique opportunity to lead. With the largest population, and a robust manufacturing industry, no market presents a greater opportunity for environmental sustainability to take hold.

On the environment, the government has taken a strong leadership role. Our goals for Wal-Mart China are fully aligned with their goals. We also recognize that we must reach beyond our own operations. We need to engage our customers, suppliers, and stakeholders. This is the core of what sustainability means for Wal-Mart around the world.

Today, we are making a series of commitments to apply Wal-Mart's sustainability vision to our operations in China.

First, we will make our stores more sustainable.

We will ask ourselves how we can use water and energy even more efficiently than we are today.

By 2010, we will aim to cut water use in half in all of our stores. We will design and open a new prototype store that uses 40% less energy. And, we will reduce energy use in existing stores by 30%.

By making our existing Wal-Mart China Stores 30 percent more efficient over the next two years, we can prevent the release of more than 310,000 tons of greenhouse gases per year.

At the same time, for every change we make inside our walls, we know there are just as many opportunities outside of them.

At Wal-Mart China, we stand at the intersection between the 15 million customers who visit our stores every week...and thousands of suppliers. We see an opportunity to be a catalyst for change by bringing all parties into the equation.

That leads me to our second objective. We will bring more environmentally sustainable products to our shelves.

Our customers want to know that our products are high-quality. But they also want the assurance that they are good for the environment. Over the next few years, we will stock our shelves with more environmentally responsible products. These items will require less energy to manufacture and to use. And they will create less waste.

To help us realize this vision, we will set important benchmarks along the way. By working closely with the Ministry of Commerce, we will expand the success of our Direct Farm Program.

Doing so will enable us to bring our customers better quality, sustainably-harvested produce. And it will guarantee farmers greater financial returns. By 2011, our goal is to engage as many as one million farmers in the program.

I mentioned energy. As we know, here in China the demand for energy-intensive products like TVs has been steadily growing. This year, Chinese consumers will purchase more than 9 million flat-screen TVs. And in the next two years that number will practically double.

Our goal is to help customers consume less energy as they are using products like these.

By 2011, we will aim to ensure that all energy-intensive appliances we sell use 25 percent less energy than they do today. By doing this, we will eliminate 8,000 tons of coal from being burned for energy and save our customers 16 million RMB on their power bills.

We also want to ensure that the electronic products we sell contain fewer hazardous substances.

Within two years, at least half of the electronic products on our shelves will be RoHS compliant, a standard used globally for reducing hazardous substances in the manufacturing of electronics.

Finally, to use less energy and create less waste, we will work with suppliers to reduce packaging on all products we sell by 5 percent...by 2013.

Our goals are ambitious and we cannot accomplish them alone, which brings me to our final objective for Wal-Mart China.

We are committed to working closely with the Chinese government and the NGO community.

We are excited about an agreement we will sign today with the Administrative Center for China's Agenda 21 of the Ministry of Science and Technology.

This is the kind of partnership that benefits both industry and government, and that will be crucial to our development here in China.

We will also work closely with the Chinese Ministry of Environmental Protection to develop environmentally responsible standards for all stores in China.

And yesterday evening we signed an agreement with the State Forestry Administration on standards for responsible sourcing of timber.

We will continue to rely on NGOs to help us drive greater innovation in our stores and higher environmental standards in the supply chain. We've only begun to put our minds together and the greatest opportunities for partnership still lie ahead of us.

These goals illustrate our vision for China.

Some opportunities only come once in a lifetime. I believe this opportunity is one of them.

This is a chance to demonstrate our commitment to lead on sustainability. And it is the chance to work together—with each of you—to create a better future for our country, for our companies, and for our world.

Thank you very much.

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