

## The green machine

**Lee Scott is no tree-hugger. But Wal-Mart's CEO says he wants to turn the world's largest retailer into the greenest. The company is so big, so powerful, it could force an army of suppliers to clean up their acts too. Is he serious?**

By [Marc Gunther](#), Fortune Magazine

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(Fortune Magazine) -- "Doesn't it feel good to have this kind of commitment made by the company that you are part of? Don't you feel proud?"

The 800 Wal-Mart Stores employees gathered in the home office for an all-day meeting were used to this kind of rah-rah talk. Top executives from Fortune 500 companies regularly trek to Bentonville, Ark., to pay homage to one of the world's most powerful companies and to shout out the [Wal-Mart \(Charts\)](#) cheer.

This time, though, the cheerleading was coming from an unlikely source: Al Gore.

Wal-Mart had invited America's most famous environmentalist to show his movie, "An Inconvenient Truth." "Having the former Democratic Vice President was a shock" to some people at the company, chief executive Lee Scott told the crowd. "At least based on a couple of my e-mails."

But as the credits rolled, Gore strutted onto the stage to a standing ovation. Dressed in a blue suit and cowboy boots, he joked with the audience, answered questions in his best Southern drawl, and coyly denied that he had any plans to run for President again. (This wasn't exactly his base: He took just 32% of the vote in Benton County in 2000.)

Before heading off to dinner with Wal-Mart chairman Rob Walton and Scott, Gore delivered a parting thought: As Wal-Mart embarks on a far-reaching plan to adopt business practices that are better for the environment, he said, the world will learn that "there need not be any conflict between the environment and the economy."

Wal-Mart, you see, has decided to help save the earth.

### Environmental values

Just listen to Scott. "To me," he says, "there can't be anything good about putting all these chemicals in the air. There can't be anything good about the smog you see in cities. There can't be anything good about putting chemicals in these rivers in Third World countries so that somebody can buy an item for less money in a developed country. Those things are just inherently wrong, whether you are an environmentalist or not."

In a speech broadcast to all of Wal-Mart's facilities last November, Scott set several ambitious goals: Increase the efficiency of its vehicle fleet by 25% over the next three years, and double efficiency in ten years. Eliminate 30% of the energy used in stores. Reduce solid waste from U.S. stores by 25% in three years.

Wal-Mart says it will invest \$500 million in sustainability projects, and the company has done a lot more than draw up targets. It has quickly become, for instance, the biggest seller of organic milk and the biggest buyer of organic cotton in the world. It is working with suppliers to figure out ways to cut down on packaging and energy costs. It has opened two "green" supercenters.

### Credibility questioned

Plenty of people won't buy it - or anything else from Wal-Mart. To labor leaders, left-wing elites, and the small-is-beautiful crowd, the \$312-billion-a-year retailer stands for everything that's wrong with big business.

They see the company in a race to pave the planet and turn it into a giant emporium of cheap goods built on the back of cheap labor. The union-funded website walmartwatch.com dismisses Wal-Mart's environmental push as a "high-priced green-washing campaign."

Wal-Mart, though, has a whole lot more to worry about than convincing a few ideological critics that its eco-intentions are pure. Its business, for starters.

Its same-store sales growth has slowed down, trailing [Costco's \(Charts\)](#) and [Target's \(Charts\)](#). Its stock price is another big concern. After rising 1,205% during the 1990s, the stock has fallen by 30% since Scott took over as CEO in January 2000.

It's no wonder that inside Wal-Mart some veteran executives grouse that Scott's green crusade will be a costly distraction. Many remember the last time Wal-Mart set out an initiative this broad: founder Sam Walton's 1985 "Made in the U.S.A." campaign.

That move burnished Wal-Mart's red-white-and-blue image, but it wasn't long before critics noted that Wal-Mart continued to seek out goods from the absolute lowest-cost supplier- and typically that meant "Made Anywhere but America."

Indeed, Wal-Mart's single-minded desire to save its customers money has been its raison d'être for 44 years. Which raises two questions: Why is the world's largest retailer so determined to become the greenest? And how green can a company that operates 6,600 big-box stores really get?

Rob Walton, his son Ben, Pearl Jam guitarist Stone Gossard, and conservationist Peter Seligmann were scuba-diving off Coco Island, a lush, uninhabited Costa Rican national park populated by manta rays, dolphins, and sharks.

### High-level influence

During a ten-day trip in February 2004, Seligmann, co-founder and CEO of Conservation International, a big Washington, D.C., environmental organization whose mission is to protect the world's biologically rich habitats, had been pointing out fleets of fishing boats that were destroying the delicate Costa Rican marine habitat. Toward the end of the trip, Seligmann looked Walton in the eye: "We need to change the way industry works. And you can have an influence."

Like all Sam Walton's children, S. Robson "Rob" Walton, 60, grew up in the Ozarks with a love of the outdoors. "All our family vacations were camping trips," he says in a rare interview. His younger brother John, who died last year in a private plane crash, was a conservationist. And his son Sam, who worked as a Colorado River guide, sits on the board of Environmental Defense, a nonprofit group.

About four years ago, after a trip to Africa, Rob Walton began to think about ways his family could help preserve wilderness areas through its foundation, which has assets of about \$1 billion. (The Walton family's 40% stake in Wal-Mart is worth about \$80 billion.)

A mutual friend then introduced Walton to Seligmann. Over the next two years the preppy ex-biologist guided Rob and his two sons on a series of

## THE RAP ON THE WORLD'S LARGEST RETAILER

Major environmental groups may have made peace with Wal-Mart, but the company remains a big target for union leaders and liberal activists. Here's where critics are on the attack--and what Wal-Mart's doing in response. - Jia Lynn Yang



### Living Wage

The nation's largest employer pays so little that a family of four can't live on the \$9.68-per-hour wage of an average Wal-Mart associate, which, at \$17,600 a year, is below the poverty line.

The retailer has created more than 240,000 new U.S. jobs in the past three years. Those jobs pay competitive wages, and more than three-fourths of store management started in hourly positions.

### Health Care

Fewer than half of Wal-Mart's employees are insured, meaning that taxpayers are shouldering the cost of health care for Wal-Mart's enormous labor force.

The company, which insures more than one million associates and family members, is expanding an \$11-per-month premium plan and reducing how long part-timers have to wait for coverage. Copays for common prescription drugs are as low as \$3.

### Gender Discrimination

In a 2001 class-action suit, 1.6 million current and former female employees alleged that Wal-Mart systematically favored men over women in pay and promotion.

On top of initiatives to build a diverse supplier base, Wal-Mart this year created an Employment Advisory Panel. And unlike most major corporations, it publicly released its 2005 data on employment of women and minorities.

### Local Economies

Wal-Mart steamrolls local businesses and drives down wages at other stores. Communities from Ingewood, Calif., to Queens, N.Y., have blocked new stores.

In April, Wal-Mart announced the creation of Jobs and Opportunity Zones to help nearby small businesses, sponsor local training programs, and support local chambers of commerce. The company also makes the majority of its charitable donations at the local level.

adventures. They hiked in Madagascar. They took a boat trip through the world's largest freshwater wetland, in Brazil. They went diving in the Galápagos Islands.

"We spent a lot of time diving and talking," says Seligmann. The family foundation eventually made a \$21 million grant to CI for ocean-protection programs, and Walton joined the group's board.

But Seligmann had another agenda, one that he finally put on the table in Costa Rica. Whatever money the foundation could contribute would pale in comparison to what Wal-Mart the corporation could do. "I suggested to Rob that Wal-Mart could be a driver of tremendous change," Seligmann says.

### Huge footprint

He wasn't exaggerating. The company is the biggest private user of electricity in the U.S.; each of its 2,074 supercenters uses an average of 1.5 million kilowatts annually, enough as a group to power all of Namibia.

Wal-Mart has the nation's second-largest fleet of trucks, and its vehicles travel a billion miles a year. If each customer who visited Wal-Mart in a week bought one long-lasting compact fluorescent (CF) light bulb, the company estimates, that would reduce electric bills by \$3 billion, conserve 50 billion tons of coal, and keep one billion incandescent light bulbs out of landfills over the life of the bulb.

If Wal-Mart influenced the behavior of a fraction of its 1.8 million employees or the 176 million customers that shop there every week, the impact would be huge. And because of the extraordinary clout Wal-Mart wields with its 60,000 suppliers, it could make even more of a difference by influencing their practices.

Walton was intrigued, but he had taken himself out of an operational role at Wal-Mart years ago. He didn't want to overstep his bounds. "We are really, really careful about mixing personal interests and the business," he says. Still, he agreed to introduce Seligmann to Lee Scott.

### PR play

The timing was fortuitous. Scott had just undertaken a review of Wal-Mart's legal and PR woes - and it wasn't a short list. A lawsuit alleging

that Wal-Mart discriminated against its female employees had been certified as a federal class action. Opponents blocked new stores in the suburbs of Los Angeles, San Francisco, and Chicago.

A study found that Wal-Mart's average spending on health benefits for its employees was 30% less than the average of its retail peers. The company's environmental record was nothing to boast about either: It had paid millions of dollars to state and federal regulators for violating air- and water-pollution laws.

For years Wal-Mart simply brushed off such criticism. "We would put up the sandbags and get out the machine guns," Scott recalls. After all, business was good. They were saving their customers billions, fighting for the little guy.

But as the upstart rural retailer grew into one of America's biggest companies and clashed with unionized competitors, it made powerful enemies. Expectations of business were rising, and Wal-Mart was failing to meet them.

### It's not easy being green

Here's what a handful of FORTUNE 500 companies are doing to improve their environmental practices and feed their bottom lines.

#### Dupont

Since promising to reduce its greenhouse-gas emissions 65% by 2010, the life-sciences company has already brought them down 72% from 1990 levels. It has also reduced its global energy use 7%, saving more than \$3 billion

#### GE

As part of the new "Ecoimagination" initiative, Immelt has promised to double GE's investment in environmental technologies to \$1.5 billion by 2010. Immelt also says that GE will reduce the company's greenhouse-gas emissions by 1% by 2012; without any action, emissions would have gone up 40%.

#### Goldman Sachs

Wall Street's most prestigious investment bank is putting \$1 billion into clean-energy investments. It has also pledged to purchase more products locally.

#### Intel

The PFC chemicals used in chipmaking are also a dangerous greenhouse gas. By 2010, Intel has promised to reduce emissions by 10% from 1995 levels.

#### UPS

Under CEO Mike Eskew, UPS has assembled one of the biggest alternative-fuel fleets around--1,500 vehicles strong. In February, UPS announced that it had placed an order for 50 new-generation hybrid-electric delivery trucks, which will reduce fuel consumption by 44,000 gallons over the course of a year.

A McKinsey & Co. study leaked to the press by walmartwatch.com found that up to 8% of shoppers had stopped patronizing the chain because of its reputation.

Scott wondered, "If we had known ten years ago what we know now, what would we have done differently that might have kept us out of some of these issues or would have enhanced our reputation? It seemed to me that ultimately many of the issues that had to do with the environment were going to wind up with people feeling like we had a greater responsibility than we were, at the time, accepting."

In a drab Bentonville conference room, Scott, Rob Walton, Seligmann and Glenn Prickett of Conservation International, and a friend of Seligmann's named Jib Ellison, a river-rafting guide turned management consultant, convened a pivotal meeting in June 2004. For a presentation to the man who is arguably the most powerful CEO in the world and the man who is inarguably one of the richest, the pitch was surprisingly informal.

The five men chatted about the environment and about ways Wal-Mart could improve its practices. Seligmann and Prickett talked about their work with [Starbucks \(Charts\)](#), which developed coffee-buying methods to protect tropical regions, and about [McDonald's \(Charts\)](#), which was helping to promote sustainable agriculture and fishing.

Their argument was simple: Wal-Mart could improve its image, motivate employees, and save money by going green.

If there was any group that could deliver such a message to Scott, it was CI, whose board members include former [Intel \(Charts\)](#) chairman Gordon Moore, BP chief executive John Browne, and former Starbucks CEO Orin Smith. CI works closely with corporations, and about \$7 million of its \$93 million in 2005 revenues came from such consulting arrangements.

### **Accepting responsibility**

Scott hired CI and Ellison's management consulting firm, called BluSkye, and asked them to measure Wal-Mart's environmental impact. The assessment would include not just Wal-Mart's operations, but the impact of growing or producing all the products it sells and shipping them to stores.

Wal-Mart was defining its responsibility broadly, in a way that would bring its vast supply chain - where its environmental impact is greatest - into the picture.

About a dozen people from BluSkye, CI, and Wal-Mart spent nearly a year measuring the company's impact. Fairly quickly, the environmentalists spotted waste that Wal-Mart's legendary cost cutters had overlooked.

On Kid Connection, its private-label line of toys, for instance, Wal-Mart found that by eliminating excessive packaging, it could save \$2.4 million a year in shipping costs, 3,800 trees, and one million barrels of oil.

On its fleet of 7,200 trucks Wal-Mart determined it could save \$26 million a year in fuel costs merely by installing auxiliary power units that enable the drivers to keep their cabs warm or cool during mandatory ten-hour breaks from the road. Before that, they'd let the truck engine idle all night, wasting fuel.

Yet another example: Wal-Mart installed machines called sandwich balers in its stores to recycle and sell plastic that it used to throw away. Companywide, the balers have added \$28 million to the bottom line.

"Think about it," Scott said in his big speech to employees last fall. "If we throw it away, we had to buy it first. So we pay twice - once to get it, once to have it taken away. What if we reverse that? What if our suppliers send us less, and everything they send us has value as a recycled product? No waste, and we get paid instead."

That was talk any Wal-Mart executive could understand, even if few knew it came straight from the pages of *Natural Capitalism*, an influential book by Paul Hawken, Amory Lovins, and Hunter Lovins that lays out a blueprint for a new green economy in which nothing goes to waste.

Not coincidentally, Lovins and his Rocky Mountain Institute were also hired as consultants by Wal-Mart to study a radical revamp of its trucking fleet.

### **Casting a wide net**

Wal-Mart was pulling ideas from everywhere-consultants, NGOs, suppliers, and eco-friendly competitors such as Patagonia and [Whole Foods \(Charts\)](#). This open-source approach worked so well that the company decided to form "sustainable value networks" made up of Wal-Mart executives, suppliers, environmental groups, and regulators; they would meet every few months to share ideas, set goals, and monitor progress.

Today there are 14 networks, each with a focus: facilities, internal operations, logistics, alternative fuels, packaging, chemicals, food and agriculture, electronics, textiles, forest products, jewelry, seafood, climate change, and China.

Experts from the World Wildlife Federation, the Natural Resources Defense Council, and even Greenpeace have made the pilgrimage to Bentonville. "I can honestly say I never expected to be at Wal-Mart's headquarters watching people do the Wal-Mart cheer," says John Hocevar, a Greenpeace campaigner. Environmental Defense announced plans to open a satellite office in Bentonville.

Though hundreds of people are in the networks, only five Wal-Mart employees, led by corporate strategist Andy Ruben, work full-time on the initiative. Key decisions are decentralized. "If you are a buyer, sustainability is going to be your business," says Scott.

Some environmentalists who are part of the networks worry the initiative is understaffed. They say that the Wal-Mart people responsible for keeping the networks going, all of whom already had full-time jobs like running truck fleets or buying jewelry, are stretched thin.

Still, getting tree-huggers and Wal-Mart lifers in the same room led to some unexpected benefits. "Sustainability helped us develop the skills to listen to people who criticize us and to change where it's appropriate," Scott says.

His managers are learning "not to be so afraid of venturing out there, thinking that if people see our warts, they're just going to castigate us." It also gives them another reason to feel good about Wal-Mart, a sense of working for a "higher purpose," he says.

Scott, too, was filled with the zeal of the newly converted. "I had an intellectual interest when we started," he says. "I have a passion today." As a lifelong angler from Baxter Springs, Kan., Scott, who is 57, was particularly worried about pollution in the world's rivers and oceans.

He visited Mount Washington in New Hampshire, where he chatted with a maple-sugar producer about the impact of global warming. And he traded in his Volkswagen Beetle for a hybrid Lexus SUV.

Hurricane Katrina, after which Wal-Mart employees mobilized to deliver vital supplies to victims, deepened Scott's resolve. "We stepped back from that and asked one simple question: How can Wal-Mart be that company - the one we were during Katrina - all the time?"

The environmental campaign that Scott admits started out as a "defensive strategy" was, in his view, "turning out to be precisely the opposite." His people were feeling better about the company. They were saving their customers money. That was one of Wal-Mart's strengths. Another was twisting the arms of suppliers - who would soon learn all about Wal-Mart's new crusade.

### **Sustainable agribusiness**

In the cold waters off Kodiak Island, Alaska, where the sockeye salmon are running in early June, a 45-year-old third-generation fishing-boat captain named Mitch Keplinger is having a disappointing day.

Operating under Alaska's strict regulatory regime, Keplinger and his crew labor for more than 12 hours to haul in about 1,000 pounds of sockeye, which they sell for 70 cents a pound to Ocean Beauty, a Seattle-based

processor and Wal-Mart supplier. They catch another 500 pounds of pink salmon, which sells for 35 cents a pound. That's \$1,050 before expenses, to be shared by the four of them - barely worth the effort.

What does that have to do with Wal-Mart? Keplinger - and fisherman like him who play by the rules - are getting killed by competition from unregulated fisheries and farmed salmon. In February, Wal-Mart announced that over the next three to five years it would purchase all its wild-caught seafood from fisheries that, like Alaska's salmon fishery, have been certified as sustainable by an independent nonprofit called the Marine Stewardship Council (MSC).

The company is working on a similar certification system for farmed fish, and it hopes consumers will come to value "brands" like MSC-certified as they do the organic label. Says Rupert Howes, chief executive of the MSC: "It's supply-chain pressure of the best kind."

Keplinger and his buyers at Ocean Beauty are watching Wal-Mart closely. Says Tom Sutherland, Ocean Beauty's vice president of marketing: "When Wal-Mart hiccups, it's all we can talk about."

It's not just Alaskan fishermen who are talking. So are corn farmers in Iowa (who want to sell more ethanol through Wal-Mart), coffee growers in Brazil (who are being promised higher prices for their beans), and factory bosses in China (who are being told to cut their energy and fuel costs).

### **Organic clothes, too**

Wal-Mart's campaign has already turned the small world of organic cotton upside down, thanks in part to Coral Rose, a ladies' apparel buyer for Sam's Club. In spring 2004 - just before Wal-Mart held its first meeting with CI - Rose ordered a yoga outfit made of organic cotton for Sam's Club; the tops sold for about \$14, the loose-fitting pants for \$10. The 190,000 units sold out in ten weeks

That got Scott's attention. Sales of organic food had grown at Wal-Mart; he wondered if organic cotton could do as well. With Scott's encouragement, Wal-Mart's buyers visited organic cotton farms. They learned about the environmental risks posed by conventional cotton farming, which uses more chemical pesticides and synthetic fertilizer than any other crop.

Wal-Mart's purchases of organic cotton have eliminated millions of tons of chemicals, Scott says. Today, Wal-Mart and Sam's Club stock a range of organic-cotton products - baby clothes under the Baby George brand, teenage fashion, and a line of bed sheets and towels.

The organic-cotton industry had found its best customer. Five years ago global production of organic cotton amounted to about 6,400 metric tons, and some farmers who converted to organic methods, which can cost more, could not find buyers willing to pay a premium.

In 2006, Wal-Mart and Sam's Club alone will use 6,800 metric tons, and they've made a verbal commitment to buy organic cotton for five years, giving farmers an assurance that there will be a market for their crops.

Wal-Mart is also increasing the amount of organic food it sells, but some even find fault with this, assuming that it buys only from massive corporate organic farms. Not true. Wal-Mart buys locally in two dozen states, striving to reduce "food miles" to save shipping costs and increase freshness.

### **Peer pressure**

Scott, meanwhile, is personally pushing his cause with Fortune 500 CEOs. He has talked with Jeff Immelt at GE about LED lighting for Wal-Mart's buildings. He's talked with Tom Faulk, the CEO of Kimberly-Clark, about "compressed toilet paper," which squeezes three rolls into one. Steve Reinemund, PepsiCo's CEO, just sold Wal-Mart on a massive recycling contest involving Aquafina water.

Wait a minute. Recycling's great. But why consume Aquafina in the first place? Bottled water is bad for the environment, period. But neither PepsiCo nor Wal-Mart will stop selling it as long as consumers want to buy it. This is one place where tensions arise between what's good for business and what's good for the planet.

Packaging is another thorny issue. On my grocer's shelf are a bulky, 100-fluid-ounce, orange plastic jug of Procter & Gamble's bestselling Tide and a slim 32-ounce aqua plastic bottle of Unilever's "small and mighty" All.

Both contain enough detergent for 32 loads of wash, but the smaller package, made possible by condensing All, saves energy, shipping costs, and shelf space - a big win all around, right?

Not quite. Bigger packages command more shelf space, provide more surface area for advertising, and suggest to consumers that they're getting more for their money. Unilever executives voiced all those worries when they went to see Scott. He agreed to make "small and mighty" All a VPI (that's Wal-Mart code for "volume-producing item," and it means that Wal-Mart will promote it heavily). "That helps to increase their confidence," he says. You can now find "small and mighty" All in supermarkets everywhere.

And guess what? This fall Procter & Gamble will replace the bulky plastic jugs with condensed, slimmed-down versions of all its liquid laundry detergents - Tide, Cheer, Gain, Era, and Dreft - in a test in Cedar Rapids, Iowa, to prepare for a likely national rollout.

We wondered if Wal-Mart had anything to do with that. "We've been doing sustainability for quite some time," replied a P&G spokeswoman. "And we're pleased to work with all our distributors, including Wal-Mart." You figure it out.

This is why Wal-Mart's eco-initiative is potentially more world-changing than, say, GE's. GE sells fuel-efficient aircraft engines and billion-dollar power plants to a few customers. Wal-Mart sells organic cotton, laundry soap, and light bulbs to millions. When shoppers see a display promoting "the bulb that pays for itself, again and again and again," they'll be reminded of their own environmental impact.

By buying CF bulbs they'll also save money on their utility bills, leaving them more money to spend at, you guessed it, Wal-Mart. The bigger idea here is that poor and middle-income Americans are every bit as interested in buying green products as are the well-to-do, so long as they are affordable.

Plenty of places sell fair-trade coffee, for example. Only Wal-Mart sells it for \$4.71 a pound. "The potential here is to democratize the whole sustainability idea--not make it something that just the elites on the coasts do but something that small-town and middle America also embrace," says CI's Glenn Prickett. "It's a Nixon-to-China moment."

### **Eco-stores**

Several weeks ago a dozen Japanese supermarket industry executives flew halfway around the world to visit a store in a suburb of Denver that is unlike any they had ever seen. They snapped pictures of wind turbines and solar cells and listened as a tour guide explained how dirty cooking oil from the deli and used motor oil from the lube department are recycled to heat the store.

They ran their fingers across jewelry cases built of renewable bamboo and peered into the dairy case at the superefficient light-emitting diodes that illuminate rows of organic milk.

The visitors wandered among shelves stocked with tuna certified by the Marine Stewardship Council and coffee endorsed by the Rainforest Alliance. They learned that spoiled food was composted into fertilizer and resold. They walked on sidewalks that are - no joke - made of recycled airport runways.

This is Wal-Mart Store No. 5334, which opened last winter. It's one of two experimental stores the company built to test ways to cut energy and reduce waste.

It sounds terribly futuristic, but this isn't totally new ground. In 1993 the company debuted a Bill McDonough - designed eco-store in Lawrence, Kan., with great fanfare. Two more stores followed, but the concept quietly died.

Wal-Mart's more serious now, but skeptics remain. Jeffrey Hollender is president of Seventh Generation, a Burlington, Vt., maker of nontoxic household products. Though Scott met with Hollender in Bentonville and

offered to carry some of his line, Hollender declined. "We might sell a lot more products in giant mass-market outlets, but we're not living up to our own values and helping the world get to a better place if we sell our soul to do it," he says.

Scott understands there are some critics he will never win over. He knows that not everyone at Wal-Mart shares his vision. But he's quite certain that one person would.

Midway through the daylong sustainability summit, the one where Al Gore showed his movie, Scott did what Wal-Mart executives always do when they want to get people's attention: He invoked the name of Sam Walton.

"Some people say this is foreign to what Sam Walton believed, that Sam Walton focused solely on the customers, driving prices down so the average person can have a higher standard of value," Scott said.

"What people forget is that there was nobody more willing to change. Sam Walton did what was right for his time. Sam loved the outdoors. And he loved the idea of building a company that would endure. I think Sam Walton would, in fact, embrace Wal-Mart's efforts to improve the quality of life for our customers and our associates by doing what we need to do in sustainability."

Then he posed a challenge to the audience: "What other company in the world could do this? This company is uniquely positioned. But we will not be measured by our aspirations. We will be measured by our actions." Of that there's no doubt. This is Wal-Mart, after all. The whole world will be watching.

*Reporter associates Doris Burke and Jia Lynn Yang contributed to this story. ■*