



### [MIT Sloan Beyond Green](#)

By [Samuel Fromartz](#)

Marc Gunther reports that Wal-Mart will unveil a new sustainability index and “measure the sustainability” of every product it sells.

...the company’s grand plan-“audacious beyond words” is how one insider describes it-has the potential to transform retailing by requiring manufacturers of consumer products to dig deep into their supply chains, measure their environmental impact, and compete on those terms for favorable treatment from the world’s most powerful retailer.

The index was created with the help of faculty at Duke, Harvard, Stanford, the University of California at Berkeley, and the University of Michigan, but the researchers “haven’t yet agreed to join the consortium, in part because some college administrators are skittish about working with Wal-Mart,” he says.

One goal of the index “will be to help consumers navigate conflicting or misleading claims.” But as Gunther astutely points out:

The initiative raises a thicket of questions, some about the very idea of a sustainability index and others about the nitty-gritty of its execution. To begin with, an obvious question: Who chose Wal-Mart to be America’s regulator?

Indeed, there are other [efforts underway to define “sustainability.”](#) But in this case, one company, because of its immense buying power, will likely become the de facto standard. Perhaps, mindful of that, the company will be passing on its work to an NGO.

Wal-Mart doesn’t ultimately want to own the sustainability index, which is why it is forming the consortium. “They are willing to get the ball rolling, but they want to hand it off to someone else,” an insider says. Most likely, the index will eventually be run by a nonprofit group financed by retailers and suppliers, much like the Marine Stewardship Council, which certifies the sustainability of fisheries, and the Forest Stewardship Council, which does the same for wood products.

<http://sloanreview.mit.edu/beyond-green/2009/07/14/wal-mart-to-launch-sustainability-index/>