

**Sears Shareholder Meeting Question**  
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**The National Center for Public Policy Research**  
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I'm Horace Cooper, representing the National Center for Public Policy Research, a free-market think-tank, and a company shareholder. Thank you for the opportunity to speak with you today.

Our company is a member of the Retail Industry Leaders Association (RILA), one of the country's largest trade organizations, and is part of its leadership. RILA appears to be moving toward requiring its members to, in the name of "sustainability," undertake measures that may not always have prospects for reasonable payback. Some of these measures are expected to place requirements on vendors that will be expensive, and for some smaller vendors, unaffordable.

As a shareholder, our concern is that this push for so-called "sustainability" will harm Sears' shareholders, suppliers, and customers, as they will bear the cost of these self-imposed green regulations. My organization, the National Center for Public Policy Research, conducted a national poll on these issues in January. Results indicated that 52 percent of the public, given a choice, is unwilling to pay even an extra cent for "sustainability," and 56 percent believe it is unfair to ask the public to pay more so retailers can operate under sustainability standards.

The Sears website gives us reason for concern that Sears is in favor of what essentially would be a private, self-imposed regulatory regime among major retailers, despite its unpopularity with the public. The Sears website says, "We accomplish [these sustainability goals] with the help of our vendors (who provide products that fit this criteria), merchants (who choose products that fit this criteria), and partners (who help determine which products fit this criteria)." This sounds like exactly what we are concerned about.

Where does management stand on the question of its trade association imposing "sustainability" standards on its members, including Sears? Does management support the idea of RILA imposing "sustainability" standards on its members, or is it opposing mandatory sustainability standards and standing up for the right of each retailer to make its own decisions regarding the best way for each individual retailer to lawfully satisfy the needs of its customers?

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