



GOING



# BEYOND RETAIL

2021  
REPORT



AT WALMART, CHANGE IS A CONSTANT... WE ARE CONTINUOUSLY EVOLVING AND HAVE GONE FROM BEING A BRICK-AND-MORTAR BUSINESS TO AN OMNICHANNEL OPERATION. NOW WE HAVE A NEW CHALLENGE, FURTHER TRANSFORMATION TO REACH A HIGHER LEVEL AND BECOME **THE LEADING RETAIL OMNI-DRIVEN ECOSYSTEM** IN MEXICO AND IN CENTRAL AMERICA. IT MEANS BROADENING OUR CAPACITIES AND CONNECTING THE NEEDS OF OUR CUSTOMERS TO SOLUTIONS THAT **PROVIDE ACCESS TO LOW COST, TOP QUALITY PRODUCTS AND SERVICES**, TO CONTINUE HELPING PEOPLE TO SAVE TIME AND MONEY, AND LIVE BETTER.

**IN 2021...  
GOING BEYOND  
RETAIL**



# GOING BEYOND RETAIL



<b>OUR BUSINESS</b>	4
• Messages	5
• Relevant Figures	15
• Our History	17
• Regenerative Company	18
• Our Flywheel	29
• Strategy	30



<b>WIN IN DISCOUNT</b>	31
• The Importance of Bodega	33
• Every Day Low Prices	36
• Efficient Assortment	38
• Low Cost Operation	40



<b>LEAD IN OMNICHANNEL</b>	42
• Core business: Our stores	44
• Innovation: Our eCommerce	53
• Expanding our On Demand Strategy	58
• Accelerating Extended Assortment	63



<b>ECOSYSTEM OF CHOICE</b>	69
• Ecosystem of Choice	79
• Bait Connectivity	71
• Financial Solutions	74
• Walmart Connect	76
• The Experience of Our Walmart Ecosystem	78



<b>ENABLERS</b>	79
• Customer Centricity	81
• Technology and Data	88
• Logistics	93
• Best Talent	98



<b>FINANCIAL VALUE</b>	100
• Message from the CFO	101
• Performance	102
• Key Performance Indicators	109
• Value Creation	110
• Investments	111
• Income Statement and Balance Sheet	113



<b>OPPORTUNITY</b>	116
• Our Talent	118
• Developing Our Talent	127
• Work-Life Balance	142
• Diversity, Equality and Inclusion	148
• Responsible and Inclusive Value Chain	161
• Diverse and Inclusive Supply Chain	163



<b>SUSTAINABILITY</b>	178
• 2040 Priorities and Results	179
• Climate Change	184
• Circular Economy	197
• Natural Capital	211



<b>COMMUNITIES</b>	226
• Building Strong Communities	227
• Access to Safe and Healthy Products and Services	239



<b>ETHICS AND INTEGRITY</b>	245
• Ethics and Compliance	247
• Information Security	295
• Digital Citizenship	298
• Risk Assessment	300
• Human Rights	306
• Corporate Governance	307

<b>ANNEXES</b>	
• Indexes, Awards and Rankings	312
• Management's Discussion and Analysis	316
• Report by the Audit Corporate Practices Committees	324
• Consolidated Financial Statements	326
• GRI-SASB Content Index	365
• Independent Limited Verification Report	390
• Glossary	431
• Investor Information	432
• SDGs	<a href="#">↗</a>



MORE THAN

# CHANGE EVOLUTION

IT'S



2021 REPORT

STRATEGIC PRIORITIES



ENABLERS



## OUR BUSINESS:

- Messages
- Relevant Figures
- Our History
- Regenerative Company
- Our Flywheel
- Strategy

# 5 million

customers shop in our stores every day

Our ambition to becoming a **Regenerative Company**





# MESSAGE

## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

GRI-102-14

This has been a year of great challenges for our Company. We continue innovating and adapting to the market to meet the needs of our customers. Our evolution is constant so we may **become the leading retail ecosystem in Mexico and Central America.** Our purpose is more alive than ever: to always be close to our customers when and where they need us, providing access and helping them save money and live better.



● ● **Enrique Ostalé**  
President of the Board of Directors Walmart de México y Centroamérica



● ● **Guilherme Loureiro**  
President and Chief Executive Officer Walmart de México y Centroamérica



PLAY VIDEO



All our **231,000+ associates** in Mexico and in Central America have played a fundamental role in achieving this purpose. To all of them, we extend **our sincerest recognition and appreciation for their invaluable work, efforts, and commitment**



We are consistently implementing our business strategy, which is based on a flywheel of capabilities and assets that mutually reinforce each other, giving us the flexibility needed to move in the same direction as our customers.

During 2021, the main focus was on three strategic priorities:

 WIN IN DISCOUNT

 LEAD IN OMNICHANNEL

 ECOSYSTEM OF CHOICE





The brick-and-mortar stores are the foundation of the business



**WE HAVE THE COMMITMENT TO LEAD IN OMNICHANNEL AND WE ARE MOVING ON THE RIGHT DIRECTION.**

Our intention is to provide a new experience in omnichannel shopping for all families in Mexico and Central America.

In the top five cities of Mexico, 88% of the population currently live within 10 minutes of our stores, and we aspire to be even closer to our customers. Therefore, in light of a challenging economic panorama, we continue investing and **we built 131 new units** in the region, thus increasing our **sales floor by 140,000 m<sup>2</sup>**, our greatest expansion since 2014. Moreover, so our customers may have a faster and more convenient shopping experience with reduced prices for basic items, this year we progressed in migrating our Superama format to Walmart Express and we merged the app with that of Walmart Supercenter.

Our Sam's Clubs continued innovating with **Scan and Go** -a unique technology in the sector- which consists of scanning items and paying via mobile phone so our members may do their shopping quickly and contactless. Penetration of this technology has doubled since its initial launch.

We are convinced that customers want us to bring our stores and eCommerce businesses together in a seamless way that makes shopping easier; and we believe we are uniquely positioned to deliver value through our physical and digital assets we have built.

This year, our On Demand home delivery service continued its expansion. This service is now offered in 760 of our stores located throughout **120 cities nationwide, covering almost 70% of our big-box formats**. To achieve positioning ourselves as omnichannel leaders, one of our greatest strengths has been to deliver fresh products in just a few hours, maintaining their freshness and quality.

OMNICHANNEL

OMNICHANNEL



*Despensa a tu Casa*, our home delivery service at Bodega, allows us to offer same-day **deliveries from over 220 stores** for our most price-sensitive customers. **This strategy was chosen by the Harvard Business School as a case study.** We have expanded the crowdsourcing model in over 170 stores and clubs, providing flexibility in serving variable demand quickly and efficiently, thus significantly reducing our delivery time.

We also launched **Walmart Pass -our unlimited home delivery subscription program-** with continued growth in the number of subscribers, in the average ticket, and in customer retention rates.

To position ourselves as the first shopping option, we remained focused on accelerating the extended assortment. We have doubled the number of sellers and tripled the number of items, as compared to last year. Some 90 virtual stores with exclusive items and brands have been enabled, advancing our cross-border operation with more than one million items added.

We are very pleased with our results and we are seeing the benefits of our investments. During 2021, **net sales for eCommerce grew 36%, and GMV 40%, now eCommerce represents almost 5% of sales in Mexico.**

The entire team deserves our recognition in implementing the long-term strategy.





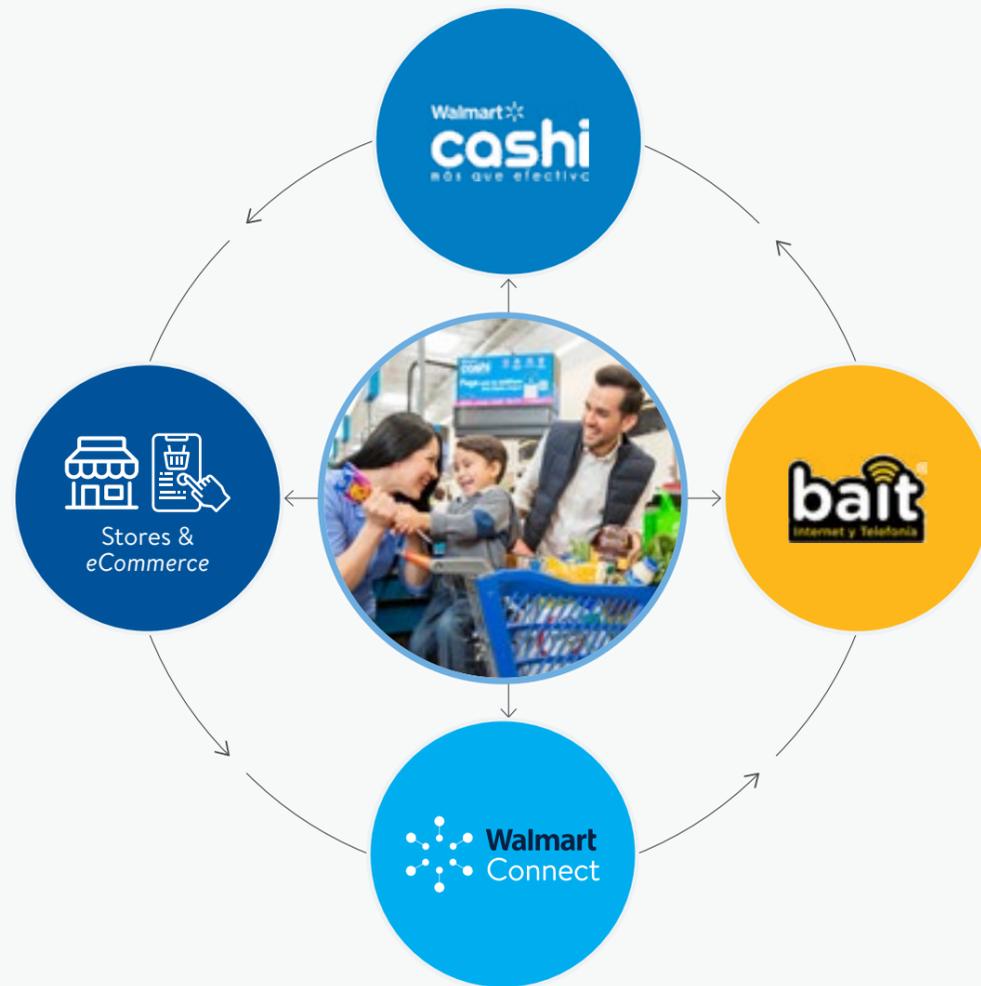
### OUR AMBITION IS TO EARN THE LOYALTY OF OUR CUSTOMERS THROUGH THE DEVELOPMENT OF THE WALMART ECOSYSTEM

Evolving strategically, we have established the bases for an interconnected ecosystem whose strength keeps our customers at the center of everything and reinforces that link through solutions aligned with generating greater value and positioning us as the first choice for our customers.

We have developed tools to give our customers access to new opportunities in the digital economy. Through Bait, our customers are offered connectivity solutions that include mobile and home-based internet, and low-cost prepaid telephony. This year, Bait has reached 2.3 million users and was the top-rated app in the sector. We launched a distribution channel outside our stores to extend our availability and we will continue focusing on signing up more users.

On the other hand, our Cashi app, which currently has 1.7 million users, provides digital financial solutions to Mexican families. Through the digital wallet, our customers can make different payments with no commissions. We introduced the remittances collection service on all our cashiers, positioning us as the second largest player by collection points. Also, we have piloted a program with a third party to disperse credit through some 30 Walmart and Bodega units, representing an opportunity to provide access to financial services for our most price-sensitive customers.

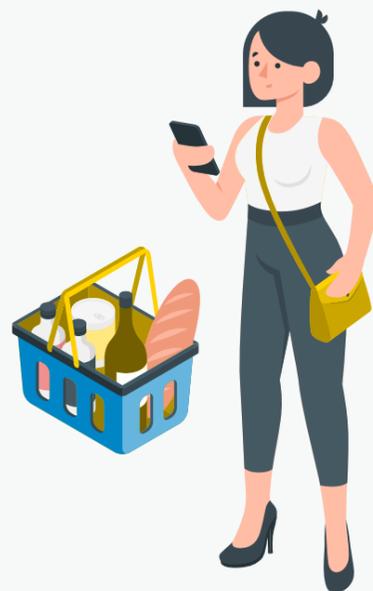
Walmart Connect -our omnichannel platform for communication and media- offers advertising services by leveraging our wide omnichannel scope, segmentation capabilities and customer intelligence. Throughout the year, Walmart Connect achieved a 50%-increase in the number of advertisers, and 80% in the number of campaigns.





**OUR CUSTOMER CENTRICITY, THE USE OF TECHNOLOGY AND DATA, OUR LOGISTICS INFRASTRUCTURE, AND OUR TALENT SERVE AS ENABLERS TO EXECUTE AND INCREASE THE POTENTIAL OF OUR STRATEGY**

We are focused on delighting our customers and serving them when and where they need. In 2021, we initiated our training program on **Customer-Centric Culture and continued forward with the implementation of the Customer Journey methodology. By adopting the omnichannel NPS (Net Promoter Score) companywide,** we have been able to accomplish an increased customer-centric vision, measuring their satisfaction from a broader viewpoint.



We implemented a new model to be better connected to our internal and external customers. This model is based on a cell design and consists of six points we developed together: create new technology capabilities, operational excellence, deliveries focused on internal customers, technological enablers, one single technology team and information security. Furthermore, our network connectivity was increased through a more modern technology to improve connectivity by 8x and reduced costs by 15%, throughout stores, distribution centers, and the offices.

We know that our strategy requires investment, so we are stepping up productivity and expense management efforts. **The Smart Spending project was put into effect this year, which serves to reinforce our culture of Every Day Low Costs** through the use of technology and data analysis, producing greater efficiency in management and operating costs and thereby generating savings. For example, a change in our logistics fleet scheduling resulted in annualized savings of 140 million de pesos. From identified savings in Mexico, we executed 1.0 billion pesos in 2021. Working with agility and driven by data, we are constantly transforming to guide the decisions of our business.



In 2021, our logistics capacities were further consolidated to offer our customers quick and efficient service, thereby increasing productivity. **Our Santo Niño DC was opened in Mexicali** to reinforce operations in the northern region of Mexico. This DC has the capacity to process more than five million boxes each month and serve 50 Walmart and Bodega units. In addition, we began building the new omnichannel DC in Tlaxcala, which will start operating in 2024, becoming part of our logistics network of 31 DCs throughout Mexico and Central America. **Walmart Fulfillment Services (WFS) was launched** so our Marketplace sellers may use our world-class supply chain to deliver orders with agility and efficiency, making it one of the primary enablers of our long-term strategy and a competitive advantage for our Company.



We are becoming the leading omni-driven ecosystem, and our financial strength serves as a competitive advantage

2021 was a challenging year, marked by resilience and innovation. We made strategic decisions focused on our customers, which allowed us to earn their trust and grow above the market.

Performance has been solid and our consolidated results have been positive. Revenues reached 736 billion pesos, a 4.9% growth over last year, and 6.3% on a constant currency basis. We grew above the self-service and clubs market for the eighth consecutive year, as measured by ANTAD, the Mexican retail association.

Gross margin grew 20 basis points, reaching 23.3%. Our SG&A grew 4.9%, that is, 15% of total revenue, primarily driven by strategic investments.

Operating income grew 9.5% and EBITDA reached 81.2 billion pesos, which implied a 7.7% growth and an 11.0% margin.

Total revenue

MXN Billion

Total units

Operating income

MXN Billion

EBITDA

MXN Billion

2021	736.0	3,620	62.9	81.2
2020	701.7	3,489	57.4	75.4
2019	646.8	3,407	54.0	71.0
2018	616.9	3,249	51.6	67.1
2017	573.4	3,134	43.8	55.5

\*To improve visibility of our business performance, we are including a retroactive estimate of the effect that the implementation of IFRS 16 would have had on 2018 financial results. These pro-forma figures are not audited, but are based on audited results reported in 2018 and were adjusted with our best estimates to show the effects related to the adoption of IFRS 16.



We use our scale for good and therefore we are on the way to becoming a regenerative company that places nature and humanity at the center of all our business practices; a company that works to restore, renovate and conserve our planet.

**THIS YEAR, WORK HAS CONTINUED ON THE FOUR PILLARS THAT ENCOMPASS THIS AMBITION: OPPORTUNITY, SUSTAINABILITY, COMMUNITY, AND ETHICS AND INTEGRITY.**



**Our first pillar** is to continue providing opportunities to our associates and suppliers. In 2021 we created 6,234 new jobs and increased our talent pool with a total of 6,792 associates with disabilities, a 51% increase over 2020. Our program aimed at helping to develop small farms in Mexico -Pequeño Productor- has been a catalyst for production project for 10 years, where we have created 1,590 new jobs and trained 23,637 small farmers throughout Mexico.



**Our third pillar is community.** Despite an atmosphere full of uncertainty, we remain committed to caring for the communities we serve. This year 1,996 million pesos were allocated to social impact programs, thus benefiting more than 2 million people.



**Sustainability, our second pillar, has progressed considerably.** In 2021, some 52.5% of our energy was supplied by renewable sources. We continue driving a circular economy by having reduced the use of 1,881 tons of virgin plastic and we avoided sending 68.6% of our waste to landfills.



**In keeping with our fourth pillar, we operate with the highest standards in ethics and integrity.** Our new Code of Conduct was launched in 2021, in addition to updating our Supplier Standards.

REGENERAT

13 | 2021 REPORT REGENERATIVE COMPANY



We are constantly evolving so we can serve our customers better. Our Company has **great potential for growth, and it is exciting to continue moving forward with firm steps.** This year has taught us that challenges make us better, and we are proud of what we have accomplished together to broaden our capacities and connect the needs of our customers to solutions that provide access to better quality products and services, and to continue helping people save money and live better.

Thank you for your interest in our Company

**Enrique Ostalé**  
President of the Board of Directors of Walmart de México y Centroamérica

**Guilherme Loureiro**  
President and Chief Executive Officer for Walmart de México y Centroamérica





## RELEVANT FIGURES



### WIN IN DISCOUNT

**80 pb**

expansion of price gap vs.competitors in Bodega

**80 pb**

increase in Private Brands penetration in Bodega

**90 pb**

increase in Private Brands penetration in total self-service in Mexico

**200 pb**

increase in Private Brands penetration in total self-service in Central America



### LEAD IN OMNICHANNEL

**36%**

eCommerce sales growth in Mexico

**40%**

GMV growth Mexico

**+760**

On Demand stores in Mexico

**1,244**

Kiosks throughout all our formats



### ECOSYSTEM OF CHOICE

**2.3 million**

Bait users

**10x**

increase in the number of collection point for remittances

**1.7 million**

Cashi users

**50%**

Growth in advertisers in Walmart Connect



### ENABLERS

**5 million**

customers shop in our stores every day

**1 billion**

pesos saved in Mexico through Smart Spending project

**31**

distribution centers  
20 in Mexico  
11 in Central America

**231,259**

total associates  
193,902 in Mexico  
37,357 in Central America



### FINANCIAL

**736 billion**

pesos consolidated revenue  
4.9% growth

**11.0%**

EBITDA margin  
7.7% growth

**72.8 billion**

pesos cash generation  
12.3% growth

**20.5 billion**

pesos invested in strategic projects



DOWNLOAD 2021 FIGURES



## RELEVANT FIGURES



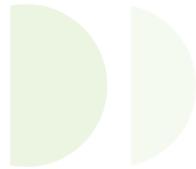
### OPPORTUNITY

**92%**  
of goods sold in Mexico  
are purchased in the  
country

**83%**  
of goods sold in Central  
America are purchased  
in the region

**86,260**  
suppliers in  
the region<sup>1</sup>

**6,234**  
jobs  
generated<sup>1</sup>



### SUSTAINABILITY

**68.6%**  
progress in our  
zero waste goal<sup>1</sup>

**1,881**  
tons of virgin plastic  
eliminated, as compared  
to 2020, in Mexico

**100%**  
of canned tuna with MSC  
certification in Mexico

**52.5%**  
of total electricity  
consumption comes  
from renewable energy<sup>1</sup>



### COMMUNITY

**1,996 million**  
pesos channeled  
to social impact  
programs<sup>1</sup>

**+2 million**  
beneficiaries<sup>1</sup>

**+36,000**  
tons donated<sup>1</sup>

**134**  
foodbanks  
supported<sup>1</sup>



### ETHICS AND INTEGRITY

**10.3%**  
reduction in accidents  
for associates in Mexico

**5%**  
reduction in accidents for  
associates in Central America

**+52,000**  
hours of training  
in our Code of  
Conduct<sup>1</sup>

**55%**  
of the members  
of the Board are  
independent<sup>1</sup>



DOWNLOAD 2021 FIGURES

1 Mexico y Central America



1958 Aurrera starts operations



1959 Superama starts operations



1964 Vips Restaurants start operations



1970 Bodega Aurrera & Suburbia start operations



1977 Cifra starts trading on the Mexican Stock Exchange



1991 Joint venture between Cifra and Wal-Mart Stores, Inc. First Sam's Club in Mexico



1993 Walmart Supercenter starts operations

1997 Wal-Mart Stores, Inc. acquires majority position in Cifra - Tender offer on the MSE



1999 Introduction of Every Day Low Prices



2003 Walmart de México Foundation created

2004 1st Social Responsibility Report Mi Bodega starts operations



2005 Superama.com.mx Online grocery sales

Wal-Mart Stores, Inc. acquires 33% of the shares of CARHCO (Central American Retail Holding Company)

2006 The environmental strategy was established



2007 Inauguration of NET: sustainable and efficient in energy and resource use



Adoption of GRI standards

License issued to operate a bank in Mexico



2008 Bodega Aurrera Express expansion



2021 Walmart Pass launch

Gasoline service stations put into operation in Mexico

Relaunch of Walmart Connect. Formerly Walmart Media Group

Walmart Fulfillment Services launch

Cross-border operation implemented in Marketplace

Gigaton project launch in Central America

# OUR HISTORY

Over 60 years of experience in operating our business has taught us how to achieve results, despite challenging situations.



Omnichannel and Ecosystem



ESG

2016 Updating of sams.com.mx

Kiosks in Bodega Aurrera

HdS in 38 cities and 26 states

Superama and Walmart Pickup

2017 Apps Update Marketplace launch

340 kiosks (Walmart y Bodega Aurrera)

200 MP sellers

Launching of customer programs: Post-consumption recycling

Walmart de México y Centroamérica sells Suburbia to Liverpool



Bodega Aurrera App

Cashi launch

2018

Winning with On Demand

2015

154 stores with HdS

100% Walmart kiosks

superama.com.mx

Apps Walmart MG and Súper

Walmart de México y Centroamérica sells its bank to Inbursa

2014

walmart.com.mx HdS

60 stores with HdS

Walmart de México y Centroamérica sells its restaurant division to Alsea

1st Materiality Analysis

2013

Walmart.com.mx launches General Merchandise

2011 1st Integrated Annual Report

Member of the Sustainable IPC of the MSE

First Walmart Supercenter in Centroamérica (Honduras)

2019 Modernized GM App

Guadalajara / Monterrey DCs

+600 stores with Pickup service +1,000 MP sellers

Walmart Media Group launch



Signing of UN Global Compact

Gigatón Project launch in Mexico

2020 All our formats have On Demand capabilities and same-day delivery service

A fulfillment center was opened for eCommerce and for our first omnichannel DCs

Superama converted to Walmart Express

Bait launch

New global commitments adopted to become a Regenerative Company

HdS: Home Delivery Service  
GM: General Merchandise  
MP: Marketplace



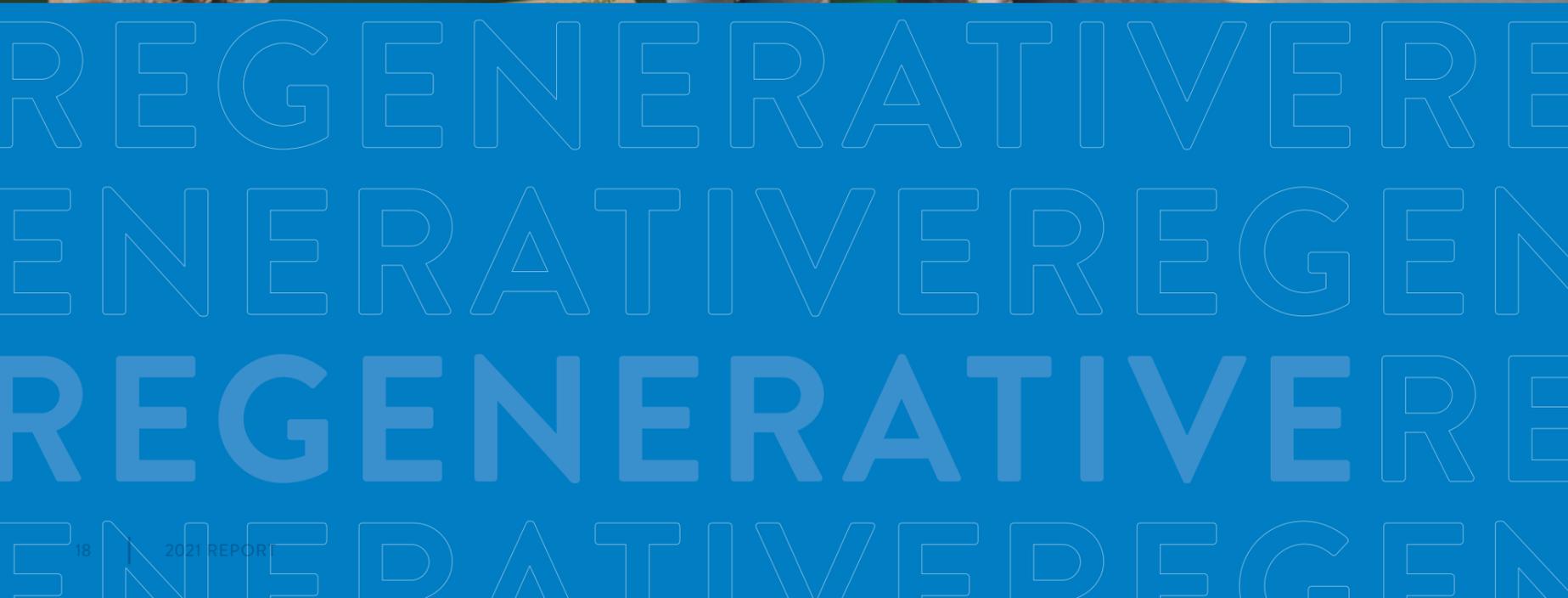
# ASPIRING TO BE A REGENERATIVE COMPANY

GRI 405-1, 102-20, 102-22

The challenges faced in the world today -climate change, biodiversity losses, economic inequality- among others, have led us to rethink our role and the impact we have on the planet. In sustainability, we have made considerable progress aimed at reducing our environmental footprint and improving the life of people. However, we are convinced we can do even more.

While the size of our company entails great responsibility, it also means the opportunity of using our scale for good. Therefore, we have extended our ambition to becoming a regenerative company by 2040.

- We are on the path to becoming a regenerative company, where nature and humanity are at the center of all our business practices





Being a regenerative company means going beyond compliance and doing what is right to have a positive socioeconomic and environmental impact that contributes to recovering the health and well-being of people, communities, and the planet, creating shared value for our stakeholders and, therefore, for our business





**Good jobs and career opportunities**  
for associates



**Develop for suppliers**  
and local economies



**Diversity, equality and inclusion** at Walmart  
and beyond



Giving **access**  
**to customers**



Highest **ethical and compliance** standards



Strong **corporate governance**



**Digital citizenship**



Respect for **human rights**



Promoting dignity throughout  
our **value chain**



OPPORTUNITY

SUSTAINABILITY

ETHICS AND INTEGRITY

COMMUNITY

**REGENERATIVE COMPANY**



**Mitigating climate change**



**Circular economy:** Zero waste in operations, plastics & packaging



Protect, manage and **restore natural capital**



**Serving communities** where we operate



Access to **safer, healthier** products and services



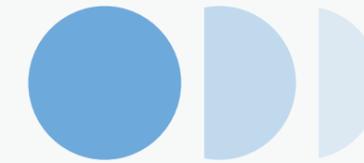
**Supporting local communities**



As a leading company in omnichannel, we have an enormous opportunity to make a difference in the lives of people, communities, and the planet

## CREATING SHARED VALUE FOR THE WELL-BEING OF ALL

Our shared value approach is guided by our purpose of saving time and money for our customers and helping them to live better. We work under the highest standards of integrity and in strict adherence to our principles and values.



Our business model contributes towards improving the quality of life of the families in the region, offering reliable products, promoting the creation of direct and formal employment, fostering economic mobility, innovation, savings, and productivity within an environment of sustainable growth.

By generating economic, social and environmental value, we favor well-being for our stakeholders and become a regenerative company that makes the world a better place.



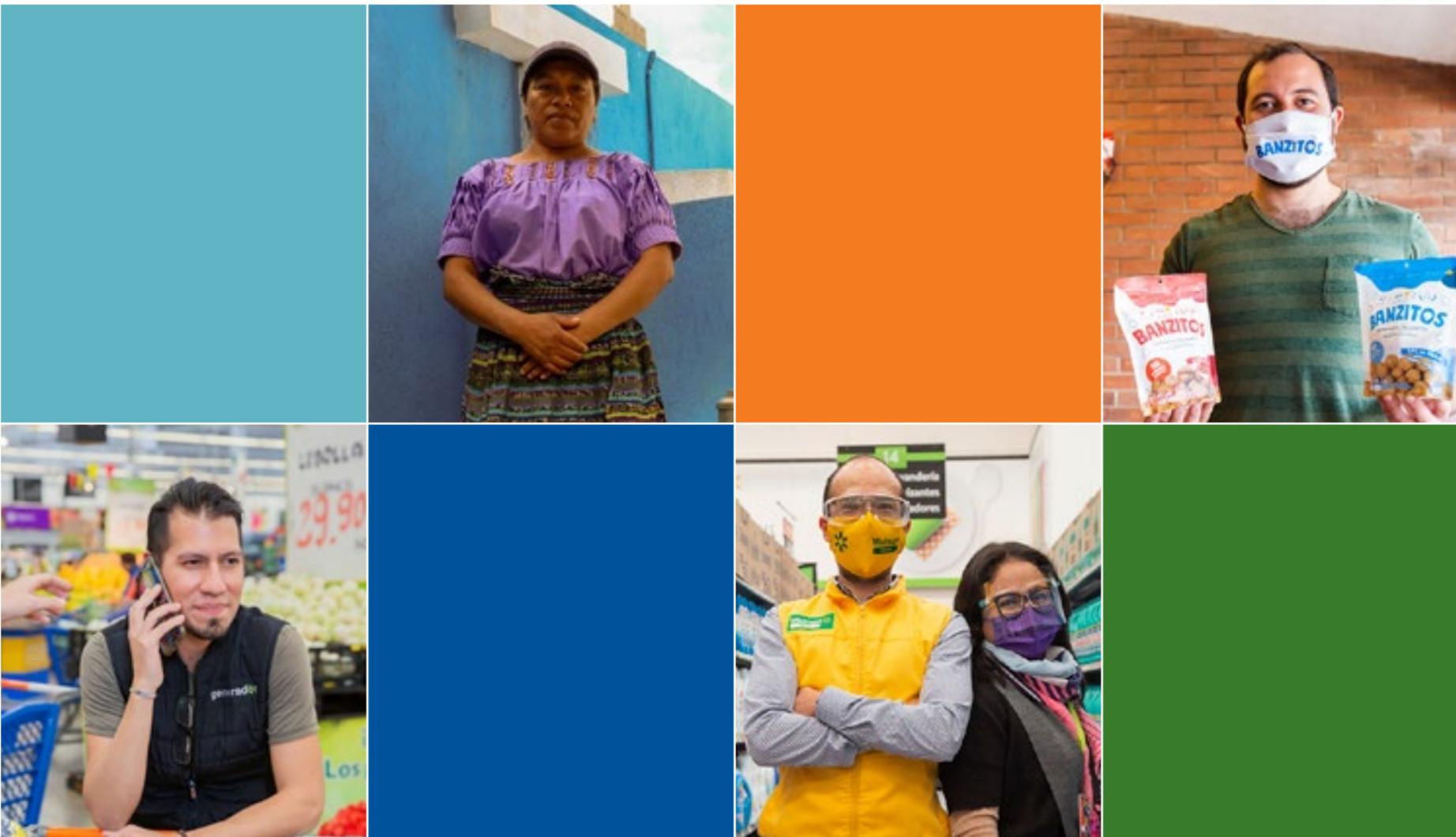


# MATERIALITY AND STAKEHOLDERS

GRI 102-14, 102-21, 102-31, 102-44, 102-47

Transcendental changes have occurred in recent years, both around us and within our Company. On the one hand is the COVID-19 pandemic that has brought about major transformations in topics related to health and safety, economic stability, and supply chains. On the other, we have acquired new and more ambitious commitments to sustainability, and the most important one is that of becoming a regenerative company.

Given this situation, this year we decided to update our materiality analysis; we have been performing this exercise since 2009, proof of the constant dialogue we have with our stakeholders to obtain first-hand information on their expectations regarding environmental, social and governance (ESG) issues.



2021 materiality analysis reflects those topics which have growing importance for our stakeholders and for the Company



## METHODOLOGY

The following steps are conducted to perform the materiality analysis:

### 1. DEFINITION OF TOPICS:



**a. Benchmarks** were established with eCommerce and retail sectors to determine material topics for said industries



**b. Internal and external studies were conducted to material topics for our stakeholders,** such as customer and supplier satisfaction studies, associate engagement surveys, studies of the most important ESG evaluators worldwide



**c. We obtained a preliminary list of topics** that were classified under six pillars: customers, communities, the environment, supply chains, associates, and governance



GRI 102-40, 102-42, 102-43, 102-48

## 2. DIALOGUE WITH STAKEHOLDERS:

**a. Our stakeholders were defined according to the importance of each one for our Company:** customers, shareholders, suppliers, associates, communities, the planet, and commercial partners. Also, due to the importance of each one, the Regenerative Committee decided to include the government and unions in the analysis.

**b. Dialogue:** Consultation with our stakeholders took place in two phases:

### Qualitative: 9 group sessions online:

- 1 group session with staff associates
- 1 group session with operations associates
- 1 group session with suppliers
- 1 group session with opinion leaders
- 1 group session with NGOs
- 4 group sessions with customers

This stage allowed us to become directly familiar with the material topics of each of our stakeholders, with the purpose of finding out about their level of involvement with ESG topics, and then being able to design strategies and improve communication with them.

### Quantitative: 6,333 online surveys in Mexico and Central America.

- This stage permitted us to become familiar with the importance and priorities assigned by our stakeholders to topics suggested in the materiality analysis, thus being able to supplement the exercise and define the material subjects of the Company

## 3. DIALOGUE WITH REGENERATIVE COMMITTEE:

A validation session was conducted with the Committee to obtain the final list of material topics and the materiality matrix.



### CUSTOMERS

Convenient access to affordable, trustable and sustainable products and services



### COMMUNITIES

Resources to build stronger, more inclusive communities



### SHAREHOLDERS

Superior long-term returns through financial and ESG leadership



### ASSOCIATES

Career opportunities and safe and inclusive work environments



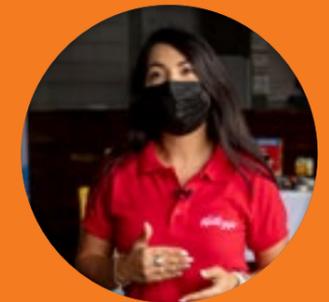
### SUPPLIERS

Access to markets and ability to accelerate supply chain sustainability



### PLANET

Leadership to preserve, restore and regenerate the planet



### BUSINESS PARTNERS

Strategic alliances for strengthening ecosystem



# MATERIALITY MATRIX

GRI 102-47

WATCH GLOSSARY



Based on the results obtained from our materiality analysis, we identified the material ESG topics for the Company and for our stakeholders as well as risks and opportunities. That served as the basis for implementing action plans to improve our performance.

+ STAKEHOLDER RELEVANCE



### Material Topics

- 1 Sustainable sourcing and packaging
- 2 Risk management in operations and in supply chain
- 3 Emissions and Climate Change
- 4 Investment in local communities
- 5 Corporate Governance
- 6 Waste management
- 7 Food Safety
- 8 Talent attraction, development, and retention
- 9 Product prices and availability
- 10 Supply chain evaluation
- 11 Fighting hunger

### Relevant Topics

- 12 Human Rights
- 13 Inclusive Supplier Development
- 14 Diversity and Inclusion
- 15 Work-Life Balance
- 16 Energy
- 17 Anticorruption
- 18 Equal Pay
- 19 Support in natural disasters
- 20 Occupational health and safety
- 21 Responsible marketing and labeling
- 22 Customer/member satisfaction and experience

### Important Topics

- 23 Healthy products
- 24 Ethical behavior
- 25 Information security
- 26 Privacy
- 27 Water
- 28 Volunteerism
- 29 Freedom of association
- 30 Animal welfare

+ WALMART RELEVANCE



GRI 102-19, 102-20, 102-22, 102-29, 102-30, 102-31, 405-1  
SASB CG-EC-330A.3, CG-MR-330A.1

## ESG MANAGEMENT

The increasingly close relationship among environmental, social and governance issues led us to an ESG management that is even more strategic and comprehensive, with execution based on efficiency, results, and accountability.

## REGENERATIVE COMMITTEE

The Regenerative Committee is in charge of defining the Company’s long-term ESG priorities, adjusting operational actions, making decisions, and developing action plans for each essential matter. This is headed by our CEO and it includes top executives from each area of the Company.

### Among the duties of the Regenerative Committee are the following:

- |                                                                                                                                                                   |                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Ensuring the solid integration of regeneration and sustainable development within the strategy of the Company</li> </ul> | <ul style="list-style-type: none"> <li>• Evaluating the effectiveness of ESG initiatives and implementation progress</li> </ul>                                                                       |
| <ul style="list-style-type: none"> <li>• Leading the Company towards domestic and international trends to maintain our leadership position</li> </ul>             | <ul style="list-style-type: none"> <li>• Establishing the long-term vision and strategic priorities that are based on what is best for our customers, the business, and society as a whole</li> </ul> |

 The Committee meets four times a year

## Members

### Chairman

- CEO

### Members

- Corporate Affairs, Central America
- Audit
- Real Estate
- Merchandising
- eCommerce
- Compliance
- Finance and Investor Relations
- Legal, Central America
- Legal and Corp. Affairs, Mexico
- Operations
- People
- Digital Transformation
- Sustainability and International Corp. Affairs





GRI 102-29, 102-30, 102-31

## ESG TEAM

To achieve the goal of being a regenerative company and turning our ESG priorities into plans, objectives, and indicators that have an impact, coordinated work and efforts are required. With this in mind, we have a team of experts wholly committed to finding the strengths and opportunities of the Company in ESG matters, as well as coordinating different initiatives that will improve our performance, accompanied by the Regenerative Committee.

- This ESG-focused team reports to the EVP and Chief Executive for Legal and Institutional Affairs for Mexico and Central America, who in turn reports to the CEO





GRI 102-12

## WE SUPPORT



## OUR CONTRIBUTION TO THE SDGs AND TO THE GLOBAL COMPACT

As signees of the United Nations Sustainability Goals in 2019, and in keeping with the 2030 Agenda for Sustainable Development, at Walmart de México y Centroamérica we contribute in different ways and to a different extent to all the SDGs.

Through our ESG priorities, we respond to global challenges that affect our business and our stakeholders, such as inequality and human rights, climate change, and food waste.

In line with the 10 Principles of the Global Compact, in 2019 we performed an analysis to identify the five priority SDGs: good health and wellbeing, gender equality, decent work and economic growth, responsible production and consumption, and climate action.

As of 2020, we incorporated indicators with annual measurement records for each of the SDGs, enabling us to track our compliance; in this manner we can detect where the greatest expectations, risks, and opportunities for the company can be found, as well as those areas where we are having a more significant contribution. This annual record has data beginning in 2017.

### Our Priority SDGs

**3** GOOD HEALTH AND WELL-BEING



**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



DOWNLOAD THE REPORT ON OUR CONTRIBUTION TO THE SDGs AND THE RESULTS WE HAVE ACHIEVED IN THE PERIOD 2017-2021



# OUR FLYWHEEL

Our business is changing and we continue evolving to meet the needs of our customers. The base of our business -the stores- is solid and is nourishing the ecosystem while the new businesses we create earn customer loyalty and reinforce the base so it may continue growing, become stronger, and more resilient.

The more our customers increase their expectations, the harder we work to resolve their pain points and offer them a renovated omnichannel experience. We are headed in the right direction: we have the talent, culture, and assets needed to proactively create the future of our company.

 The new strategy can best be summarized by this flywheel of capacities and assets that mutually reinforce each other

## Our flywheel places the customer at the center



GM: General Merchandise



# STRATEGY

In 2021, we went beyond retail to honor our purpose of saving people money to help them live better. We have adapted to the environment and the ever changing needs of our customers, but without neglecting our associates and the planet.

At Walmart de México y Centroamérica, we continue designing and offering solutions that increase customer loyalty. We serve them how they wish to be served, and they have a better shopping experience. Furthermore, we provide them with access to the lowest prices and the benefits of the digital economy.

Thanks to our enablers, progress has been made with this strategy, and our results have been solid in each priority and enabler of the strategy, proof that our customers appreciate what we are doing for them.

## Strategic priorities and enablers that accelerate growth

### STRATEGIC PRIORITIES



WIN IN DISCOUNT



LEAD IN OMNICHANNEL



ECOSYSTEM OF CHOICE

### ENABLERS



CUSTOMER CENTRICITY



LOGISTICS



TECHNOLOGY



BEST TALENT



REGENERATION AND TRUST



EVERY DAY LOW PRICES



BEYOND

# SAVINGS

IT'S

# WELL-BEING AND ACCESS



STRATEGIC PRIORITIES



ENABLERS



## WIN IN DISCOUNT

- The importance of Bodega
- Every Day Low Prices
- Efficient Assortment
- Low Cost Operation

# 80bps

expansion in Bodega's price gap -record high-

# 80bps

increase in Private Brands penetration in Bodega



# WIN IN DISCOUNT



We work every day with the purpose of helping people save money and live better, and we are accomplishing this through one of our strategic priorities -Win in Discount

Win in Discount is making the difference for our most price-sensitive customers. The number of customers who are price seekers is growing, and the macroeconomic environment has constrained their budgets. Therefore, remaining loyal to our philosophy as a company, we have kept low prices and increased access to low cost products and services through omnichannel, our ecosystem development and by expanding our presence in the region.

We continue demonstrating we are not only a company that reduces its prices, but also one that always looks for ways to broaden our product and services offerings, quality and availability, to exceed the expectations of our customers. Thanks to all this, we have earned their trust.





# THE IMPORTANCE OF BODEGA

# BodegaAurrera

●● We are low price leaders, and we have a unique positioning in the discount segment thanks to the relevance of Bodega, one of the largest, best known and efficient retailers in Mexico

Important progress has been achieved this year in Bodega. Our customer-centric strategy continues to be executed and is constantly evolving. We have reached a record high in price gap and we continue striving to make that price gap even greater. Likewise, its catalog is optimized to ensure the best assortment, which includes an important share of our Private Brands. In Fresh categories, our customer experience is being redesigned to continue driving traffic to our stores.

In Central America, the challenging environment has had a direct influence on the purchasing power of the population in general. For this reason, our assortment have been adjusted and we continue investing in prices, especially for our Bodega and Discount formats, improving productivity through the use of technology, and simplifying the business.





## LEAD IN OMNICHANNEL

This year, we have made progress in strengthening our On Demand infrastructure to make our Bodega customers' life easier, especially for those those who do not have a car. We have more than 220 Bodegas with Despensa a tu Casa service, in this way; Bodega customers have the opportunity to buy any product, including large-volume items. This year the Home category was number one in sales.

To facilitate the purchase of large-volume items, the extended assortment kiosks provide our customers with comprehensive solutions in a personalized manner through the support of an advisor to make their purchase. For many of our customers, this means first-time access to eCommerce.

## ECOSYSTEM OF CHOICE

Being customer-centric, we are building low cost products and services that connect and reinforce each other with our brick and mortar stores business.

Through Cashi and Bait, we are giving our customers access to the digital economy and delighting them with new experiences.

The adoption of Bait in Bodega is very high. Today, Bodega represents 75% of Bait customers, thus demonstrating the access we provide to our customers, offering them the connectivity they need in support of their economy.

On the other hand, in 2021, we launched a pilot together with a third party, to disburse credit through Cashi in almost 30 of our stores.

We are granting credits of up to 6,000 pesos so that customers can buy their favorite items and pay for them later. We are just getting started and the results are encouraging.



To learn more about our progress in omnichannel, visit the chapter

**LEAD IN OMNICHANNEL**



To learn more about our progress to be the ecosystem of choice, visit the chapter

**ECOSYSTEM OF CHOICE**



# THE 3 PILLARS OF THE STRATEGY:

Our Win in Discount strategy combined three pillars: Every Day Low Prices, Efficient Assortment, and Low Cost Operation





# EVERY DAY LOW PRICES

As part of our value proposition, we continue working with our promise of Every Day Low Prices.



This year our competitiveness in the market was greatly improved by offering the lowest prices in recent years, accelerating growth, and profitability





During times of high inflation, this value proposition becomes even more important to our customers. We are helping them buy basic items and taking care of their budget. We are a bridge between the formal and informal markets, so the families in Mexico and in Central America can safely make their purchases without complications and with the confidence offered by Bodega.



In 2021, our price gap grew by **80 basis points**, thus representing a record high



In support of Mexican households, Bodega renewed its iconic *Morralla* campaign, which provides access to customers so they may increase the number of items purchased while also obtaining top-quality products at affordable prices. **As a result, sales increased 30% during the campaign**, and six of every ten customers purchased at least one item during this campaign.



In Central America, we have reinforced our price leadership through commercial campaigns such as Red Prices, Champion Quetzals, and Super Bombazos, focusing on basic items in the Bodega and Discount formats. Our communication has also been improved with campaigns such as Super Savings, and Fill Your Cart at Pali Prices, to improve the price perception.



# EFFICIENT ASSORTMENT

Our commercial team worked closely in collaboration with our suppliers, to include a greater variety of items competitive in both price and in quality.

With our customer insight, we work to enhance their experience from end to end. **Broad product assortment is combined with better space design that focuses on customer characteristics, preferences, and concerns.**



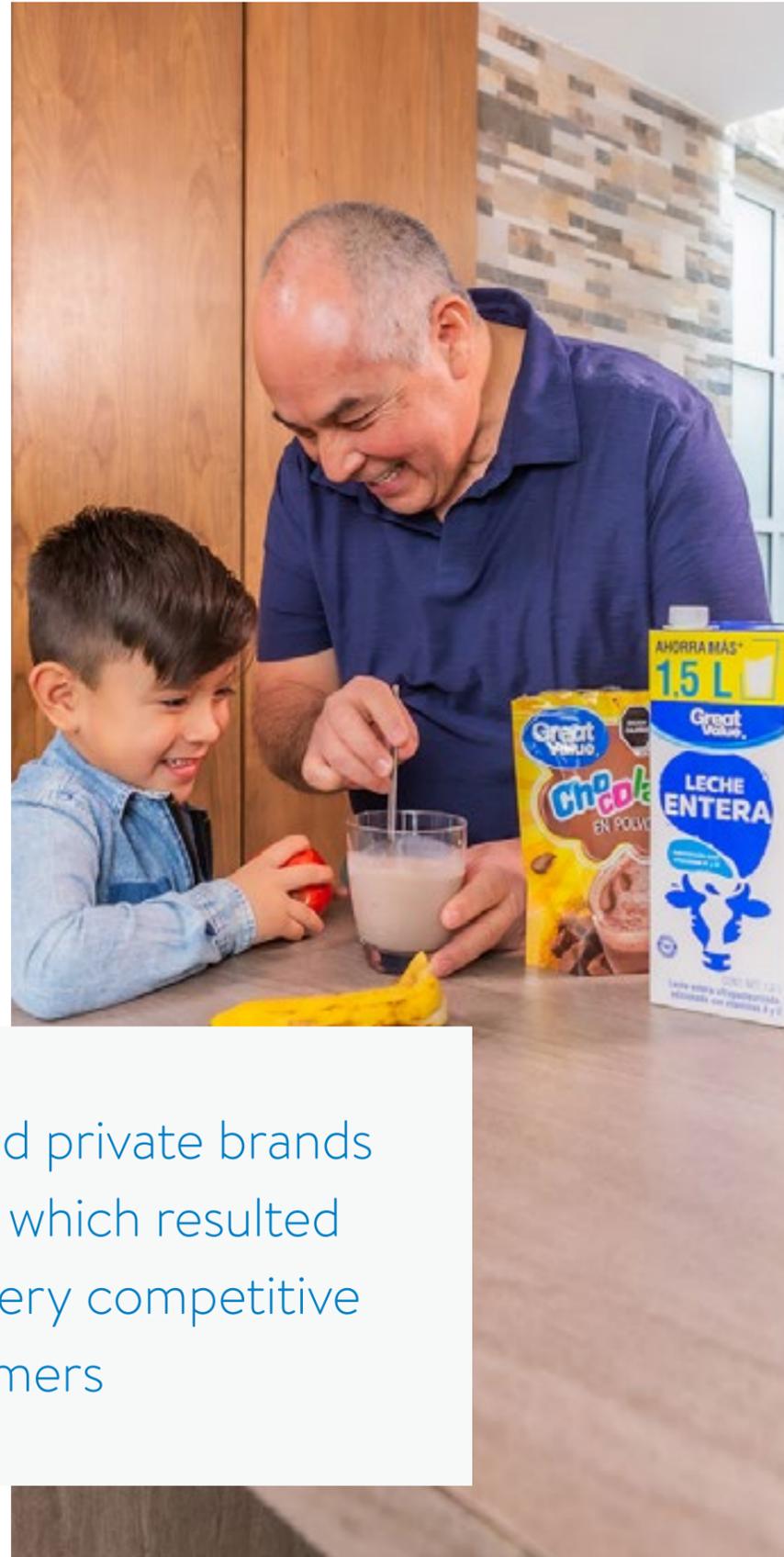
One of the ways we are winning in discount is by extending our assortment and its availability

ASSORTMENT ASSORTMENT ASSORTMENT ASSORTMENT ASSORTMENT



The customer journeys are updated with changes in product display and with fixtures, especially in the fresh area. In addition, certain features were implemented to enable customers to have a quicker and more convenient shopping journey, such as self-checkout and digital tools.

These initiatives have been well accepted by our customers. The results have been quite satisfactory thanks to our proposal in assortment and service.



## PRIVATE BRANDS

Our Private Brands play an important role in our strategy because they help to increase customer loyalty, they are perceived as an ally to their budget, and they are also a way to increase sales.

**In 2021, Private Brands penetration of total self-services sales grew 90 basis points in Mexico and 200 in Central America;** the more they gain share, the more we can continue striking a balance in price investments.



In Bodega, we increased private brands penetration by 80 bps, which resulted in quality products at very competitive prices for all our customers



For further information on the performance of Private Brands visit here

**COMMUNITY CHAPTER**



# LOW COST OPERATION

**A fundamental component for obtaining the resources to invest in prices is by maintaining a low cost operation.**

Expenses were leveraged thanks to multifunctional structures, a spearhead in Bodega operations. It optimizes the work of our associates on the sales floor. Leveraging was also possible thanks to an efficient assortment and our Private Brands program.



RATION OPER  
OPERATION  
TION OPERAT



This year, progress was accomplished by simplifying business operations on the sales floor, logistics and home delivery, without affecting the shopping experience of our customers



With the use of mathematical models and GPS, we can trace trailers in operation and their status, thus optimizing route design and achieving a higher volume of deliveries with less transportation fleets.

**This year we were able to meet our goal of reducing receiving and unloading times in our DCs.** It was possible once we identified lost time throughout the process and we included a detailed plan to minimize and even prevent this lost time. We also implemented processes known as Assisted Receiving and Simple Receipt, which consist of digitalizing all information prior to receiving merchandise at the DC together with the customers.

Another contributing factor to reduced operating costs is the efficiency achieved through environmental initiatives such as lower consumption of electricity and water.

**We launched a prototype of a lean store in Central America in our Discount format, with the purpose of achieving more results with less resources and whereby we achieved a 15% reduction in sales floor, and 12% in headcount per store.** This simplification translates to a considerable cost reduction, while also maintaining customer experience and average sales per store.

We are happy with our results, but we are even prouder of the team for having achieved them, making the difference for our price-sensitive customers. Thanks to this strategy, our customers have access to low prices, helping them to save money so they can live better.



Moreover, technology allowed us to increase the efficiency of logistics and home delivery processes





WE EVOLVED

INTO

# SERVICE SERVICE SERVICE EXPERIENCE



2021 REPORT

STRATEGIC PRIORITIES



ENABLERS



## LEAD IN OMNICHANNEL

- Core Business: Our stores
- Innovation: our eCommerce
- Expanding On Demand Strategy
- Accelerate Extended Assortment

# +760

stores with **On Demand** service

# 4.9%

eCommerce penetration in total Mexico sales

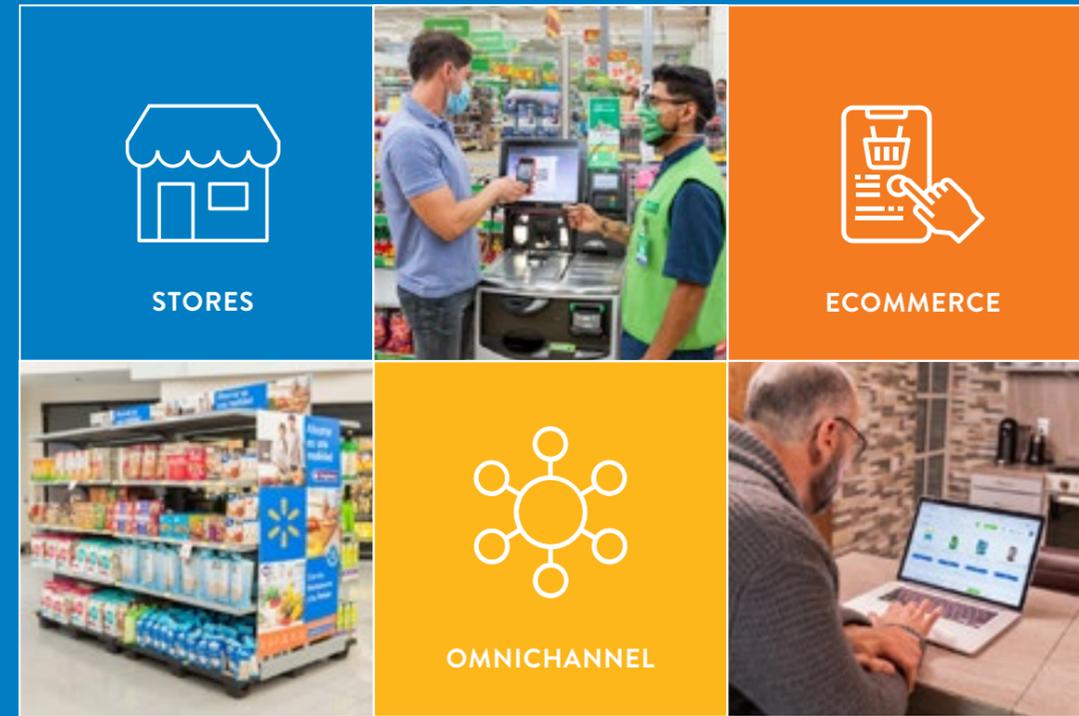


# LEAD IN OMNICHANNEL

2021 has been a year of major challenges for our Company. We continue innovating and adapting to the market to meet the needs of our customers, without ignoring the safety of our associates. Our commitment is to lead in omnichannel and our strategy is delivering results.

Our brick-and-mortar stores are the foundation of our business, they continue growing and keeping us close to our customers in Mexico and In Central America. we are there for them when they need it, providing access to a new omnichannel shopping experience.

We are convinced that customers want us to bring our stores and our eCommerce business together to provide a seamless shopping experience, and we are in a unique position to do so.







STORES

Walmart\*

Walmart\*  
Express

GRI 102-10

# WALMART SUPERCENTER AND WALMART EXPRESS

Customers today want a supermarket shopping experience that is practical, adapted to their lifestyle and to their changing needs, with omnichannel offerings that give them access to quality, low-priced products.

To meet the needs of our customers, we continue working with our value proposition of offering quality merchandise, ample assortments, good service, and Every Day Low Prices. The availability of a Walmart store -either Walmart Supercenter or Walmart Express- closer to them, with complete omnichannel capabilities to make their lives easier.

Market evolution and digital adoption of our customers, compels us to accelerate and enhance their shopping experience to position ourselves as omnichannel leaders, simplifying our commercial operation, eCommerce operation and management. Integrating our hypermarkets and supermarkets into a single management system.



Integrating our hypermarkets and supermarkets into a single management system



## WALMART SUPERCENTER

**7**  
new stores

**41,000**  
m<sup>2</sup> added to our sales floor



## WALMART EXPRESS

**85%**  
progress of Superama to Walmart Express conversion

**4**  
new stores

**+5,800**  
m<sup>2</sup> added to our sales floor



STORES



GRI 102-10

We have progressed this year in the conversion of Superama to Walmart Express, including the change in image, infrastructure, distribution, adjustments, and mobilization. This transformation has allowed for simpler and more efficient processes such as:



Optimizing our advertising, leveraging the position of the Walmart brand



Unifying the development of our talent in both formats



Sharing best practices in marketing, signage, and customer service



Utilizing one single platform for our eCommerce site and our app



Simplifying merchandise management and price decisions

This year we opened four Walmart Express stores, one of them in Merida. Now we have the opportunity to reach locations in the country where we were not present before, giving the customers of this region access to a great variety of products with Every Day Low Prices.

## NEW INITIATIVES

By consistently listening to our customers and through customer insight, with the purpose of obtaining their perception on the transition of Superama to Walmart Express, we have fostered improvements to serve them better and to enhance their shopping experience.



**The image was improved** and assortment enlarged, with special focus on Fresh



**Prices have been unified** with those of Walmart Supercenter



A special function of guide associate has been assigned, **with special training, to assist customers** on how to find products



**Self-checkout has been implemented** for an agile shopping experience



Implementation of **Semana de la Frescura (Week of Freshness)** has taken place, in which we offer products with a different penetration





STORES



# BODEGAS AND DISCOUNT STORES

This year, our Bodega format continued as a leader of growth in the number of stores for the Company. The number of price seekers is on the rise, and in response we are increasing access to products and services via omnichannel, our ecosystem, and by expanding our presence throughout the region.

We work to deepen the execution of our value proposition, which we are accomplishing through proper leveraging of expenses, multifunctional structures that were spearheads in operations, an efficient catalog, and the program for Private Brands.

Consequently, continued investment in prices was possible, closing 2021 with a reinforced price gap, the highest we have had in recent years and which has enabled us to accelerate our omnichannel presence without generating additional expenses.



For further information on the results of Win in Discount —one of the priorities of our strategy this year— go to

**WIN IN DISCOUNT**



STORES



GRI 102-10



110  
new  
stores



+72,000  
m<sup>2</sup> added to  
our sales floor



### NEW INITIATIVES



We have taken **Mi Bodega format to urban areas in Mexico City** due to a detected market need



We listen to our clients to **generate value in our Private Brands**, creating benefits and increasing social well-being



STORES

sam's club <img alt="Sam's Club logo icon" data-bbox="138 111 156 138"/>



# SAM'S CLUB

We celebrated 30 years in Mexico and we feel very proud of this because, throughout this time, we have offered wholesale prices that offer great savings, as well as new and differentiated merchandise, thus gaining the trust and loyalty of our members.



Marking our anniversary, a strategy was put into effect that contributes to accomplishing our ambition of being “the membership you love the most”





sam's club

The three pillars for this strategy are:



1. MEMBERS:

We continue providing benefits for our Members Plus. This year, in addition to the 2% annual rebate over total purchases and access to promotions of Membership Benefits, we began free delivery in three cities: Mexico City, Guadalajara, and Monterrey.



2. MERCHANDISE:

We conduct different events offering products with very appealing prices, such as Hot Days, Irresistible Weekend, and Member Fest. In addition, new gourmet products were launched and they have been very well accepted by our members, as is the case of tequila, red wine, Day of the Dead bread, gourmet Rosca de Reyes pastry, and praline chocolates, all made by our brand, Member's Mark.



3. EXPERIENCE:

The talent of women is fostered within our stores; as a result of this, 40% of management positions are held by women.

Our mission is to be the low-cost supplier for our members –both individual and business members– This year we decided to maintain our prices in support of the economy of our members and as a way to increase our value proposition, absorbing increases due to inflation.

IMPROVING OUR PERFORMANCE

During the last five years, we have posted double-digit growth, due to the following factors:

**A disciplined business model:** We are firmly committed to selling at the lowest prices and consistently delivering value.

**Reconstructed supplier relations:** We have earned the trust of our suppliers and created synergies in working with them.

**Changed approach:** We have created incentives for more members to change to omnichannel shopping by promoting online events and pre-sales for groceries, consumables, and fresh products.



sam's club

### NEW INITIATIVES

Several initiatives were put into effect this year, allowing us to enhance our members' experience and move further towards omnichannel shopping.

Investments were made in technological tools that help to make life for our associates and members easier, reducing pain points.

### SELF-CHECKOUT

There are now registers where our customers may scan their products and pay for them without the need for a cashier to perform the transaction.



### SCAN & GO

We are the only retail company with this system in Mexico, a new shopping experience where our members may use their cell phones at any of 165 clubs to purchase products easier, quicker, and with innovation.

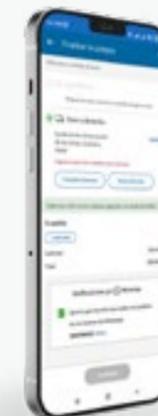
### Scan & Go follows three easy steps:



1. Download the Sam's Club app on iPhone or Android phones.



2. Once in the app, choose Scan & Go and simply scan the bar code for the product they wish to purchase in the club of their choice.



3. Pay for the products using the app.



STORES

## EXPANSION OF OUR VALUE PROPOSITION

With the purpose of continuing to help families in Mexico to save money and live better, we innovate to offer better solutions to our clients. We entered into an agreement to operate gas stations in our parking lots nationwide with Gazpro, a third party that will invest in and operate co-branded gas stations, under strict operating and pricing standards. In addition, some of the service stations will have small adjoining stores to make it more convenient for customers to get gasoline,



Brands:

**Walmart,  
Bodega and  
Sams's Club**

**40-70**  
m<sup>2</sup> sales floor

**~500**  
SKUs



This project enables continued expansion of our value proposition for our customers, always with the highest service, safety, and quality standards.



do their shopping, or even to pick up merchandise purchased via our digital platforms with the pickup service, thus providing them with this new omnichannel shopping experience.

So far, we have opened three of these gas station stores; one of them was built with used containers and fed 90% by solar energy. In this way we exemplify our commitment to become a regenerative company.





# INNOVATION: OUR ECOMMERCE

SASB CG-S-000.A, 000.B, 000.C

Our commitment to lead in omnichannel has led to continue forward with firm steps. Our Company is constantly growing and we maintain our acceleration, investing in our strategic plans. We want to make this new shopping experience available to all households in Mexico and Central America.

This year was difficult to predict, especially in eCommerce, because we were not sure how our customers would behave after the considerable growth posted last year. We want to recognize our team for their considerable work in driving the long-term strategy while executing amid a challenging environment. Their great work has served to extend our customer base of people who continue to see us as their first choice for online shopping.



We aspire to be present across all the shopping occasions of our customers and to make their lives easier

We offer our customers access to an omnichannel experience, with the capacity to meet their needs in any of our formats. This means that, although they will continue to buy in our stores, more and more often they will prefer to pick up their order through our pickup service or receive it directly at home, and we will be prepared to serve them with a seamless service for all.

Leveraging the positioning Walmart has as a well-known brand in the market and presence nationwide, we increase the potential of our platforms with better results.

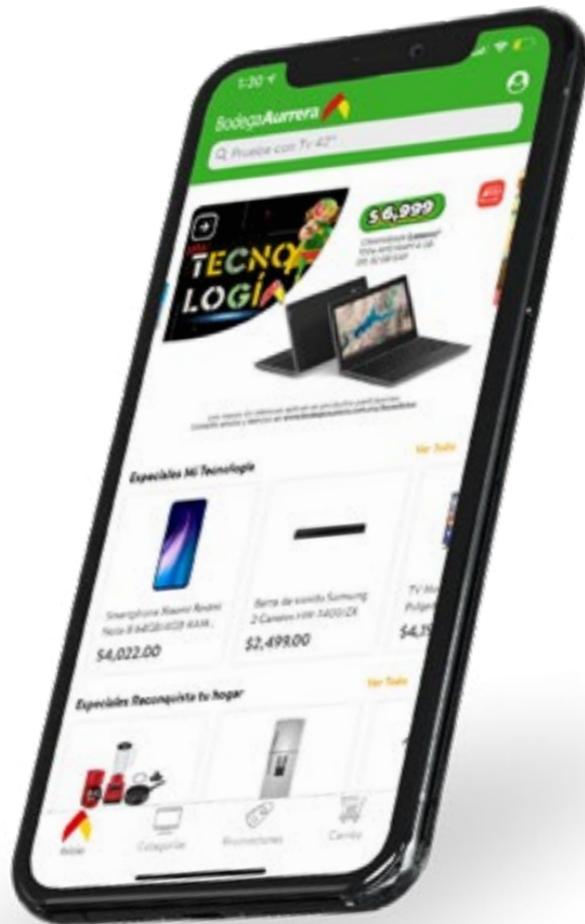




ECOMMERCE

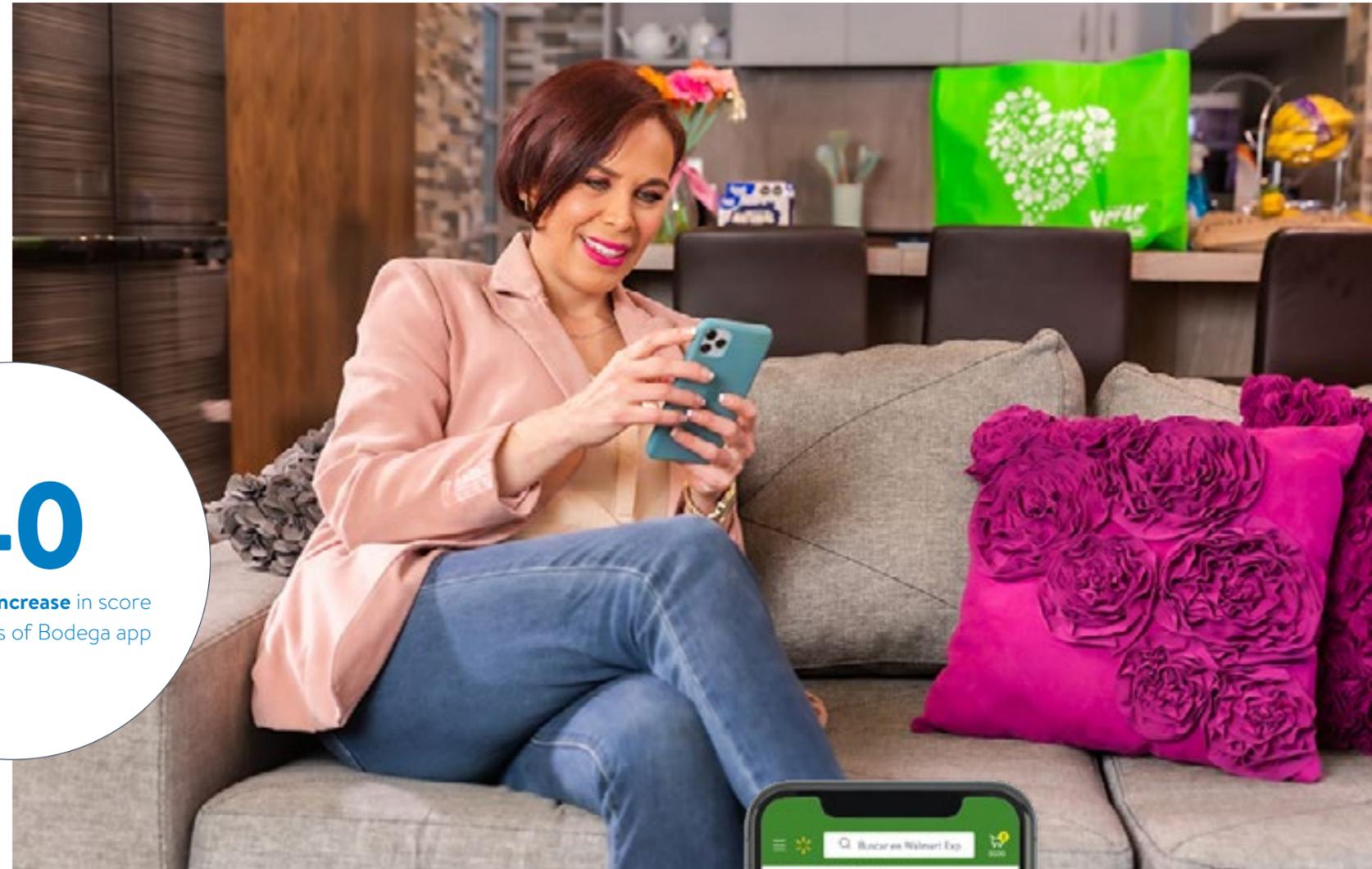
## DIGITAL REINFORCEMENT

We continue investing in technology to enhance the shopping experience for our customers. This year we merged the On Demand platform and Bodega's extended assortment into one single app; our customers are enjoying the initiative. The score given by app users has increased 40 basis points thanks to this implementation.



# 40

Basis points increase in score given by users of Bodega app



In addition, we have been able to unify the Superama app -now Walmart Express- with the one for Walmart Supercenter so our customers can shop in both formats with the same platform. To motivate use during this transition, we conducted personalized service with our customers and launched specials such as the Irresistible Weekend where we offered 3x2 specials in liquor purchased through this app.





ECOMMERCE



## CUSTOMER SERVICE VIA WHATSAPP

To improve our On Demand shopping experience, this year we implemented a new shopping and post-sales service that works through WhatsApp. In this manner, communication with our customers is more transparent.

### The advantages of this system include:



Reporting the status of their order



Sending images of the quality



Suggesting product substitutions



Offering products on promotion



Adding any additional product to your order



Thanks to this service, we have managed to improve and contribute to the increase in NPS

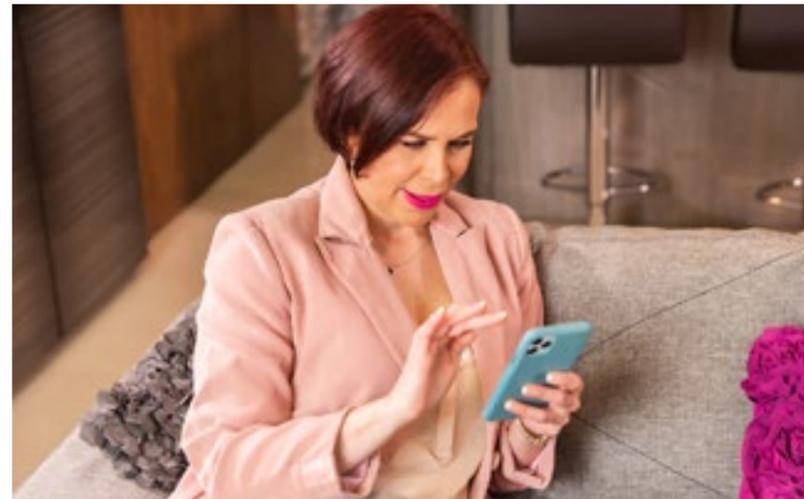


ECOMMERCE

## GROWING OUR ECOMMERCE



This year, we achieved double-digit growth, on a triple-digit growth basis



# +300

positions created for omnichannel that did not exist before, through talent reassessment and attraction and through profile renewal

### 4.9%

eCommerce penetration in total Mexico sales

### 1.4%

contribution to growth in total Mexico sales

### 36%

growth in net sales for eCommerce

### 40%

growth in GMV (Gross Merchandise Value)



We progressed with our omnichannel project and eCommerce development in Central America, by leveraging expertise from Mexico

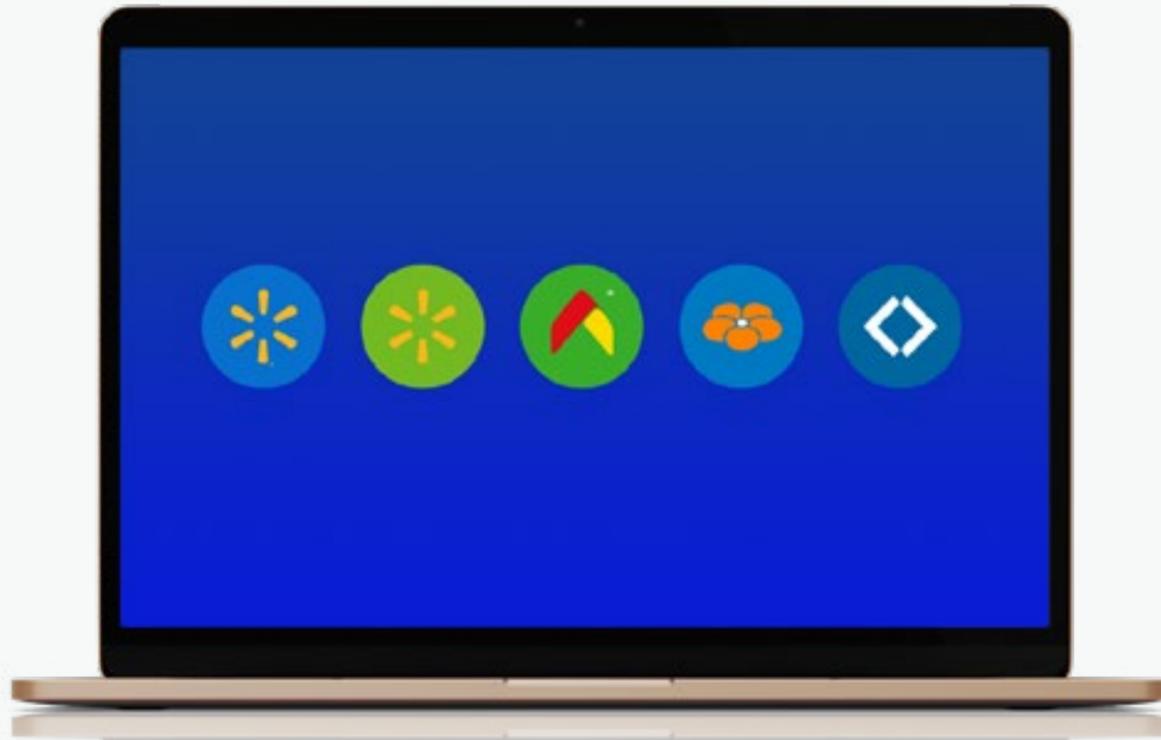
As a result of Walmart experience and strengths as a global company —Powered by Walmart— we tested the technologies and processes that have been successful in other countries. This way we have been able to reduce implementation time and use of capital, through the adoption of proven best practices and expertise. Consequently, there has been accelerated growth because customers who feel unsafe going to shop in stores have been ordering products on our websites.



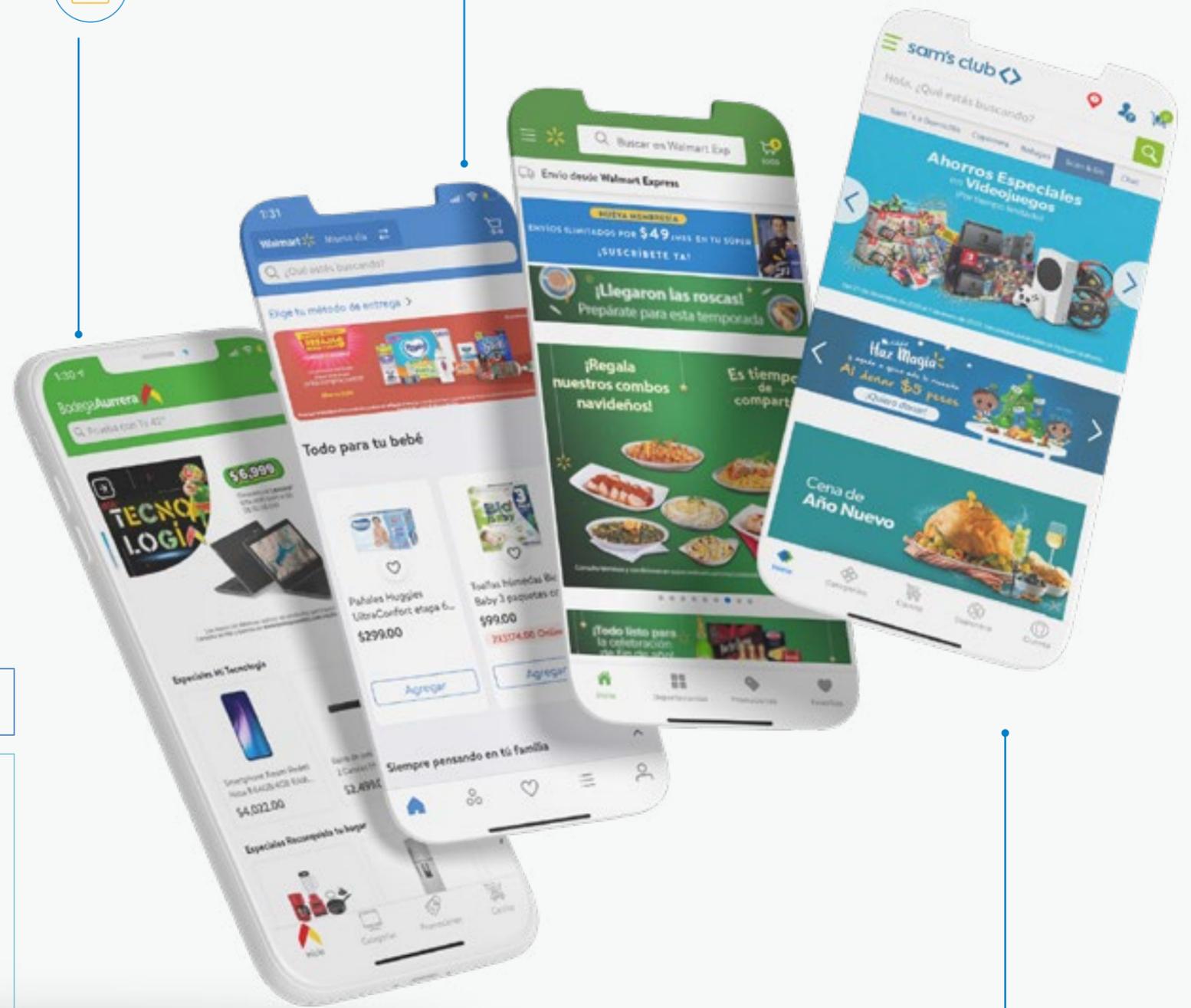


ECOMMERCE

# WEB SITES AND APPS



Extended assortment



On Demand service



<b>Mexico</b>	walmart.com.mx	bodegaaurrera.com.mx sams.com.mx
<b>Costa Rica</b>	walmart.co.cr	masxmenos.cr maxipali.co.cr
<b>Guatemala</b>	walmart.com.gt	paiz.com.gt maxidespensa.com.gt
<b>El Salvador</b>	walmart.com.sv	ladespensadedonjuan.com.sv maxidespensa.com.sv
<b>Honduras</b>	walmart.com.hn	paiz.com.hn maxidespensa.com.hn
<b>Nicaragua</b>	walmart.com.ni	launion.com.ni maxipali.com.ni



# EXPANDING ON DEMAND STRATEGY

Our operation continues evolving with innovation in all parts of our business. This ongoing transformation process has helped to maintain leadership in the market, in addition to successfully responding to the challenges posed by digital acceleration.

EMANDON  
NDEMANDO  
ONDEMAND  
DEMANDON

This year we strengthened our strategy, working on four fronts:



## 1. DEVELOPING ACTIONS TO ENHANCE CUSTOMER EXPERIENCE:

We have conducted initiatives that have enabled us to deliver merchandise more efficiently in the least amount of time possible.

### CROWDSOURCING

We are aware that customer seek quick delivery service and they value this new service, especially in high-density urban areas. This third-party delivery service complements the existing model and allows for product delivery in less than 90 minutes. It is operating in more than 177 stores of all our formats, and for Sam's club as well, where we conducted a pilot program in 12 clubs. At Walmart Express we are piloting delivery in even shorter delivery times to meet the needs of our customers and so they may have a quicker and more convenient shopping experience.

More than 10% of the On Demand orders of Walmart and Walmart Express were fulfilled by this model.



### FRESH PICKER PROGRAM

We also started up our Field Picker Program at 160 stores, to train our associates and provide them with the tools needed to better select fresh products. We have seen an increase of 50 basis points in shopping frequency as a result of this program.



OMNICHANNEL



## 2. ADDING THOUSANDS OF PRODUCTS TO OUR CATALOGUE, AT BETTER PRICES AND WITH SAME-DAY DELIVERY

One of the greatest strengths of On Demand is to be able to deliver fresh products in just a matter of hours, maintaining freshness and quality.

An omnichannel network was created through synergies with various processes that were put to work jointly. This begins with the customer making an order, being able to now meet their delivery expectations.

### ADAPTING AND ENABLING NEW INFRASTRUCTURE

Our infrastructure has undergone adaptations to make the job of pickers easier -associates in charge of gathering the products ordered by customers- and we reassigned spaces originally set aside for storage in the back areas of our stores. This model is currently found in 77 stores and it makes filling orders a quicker process, without interfering with the shopping experience of customers found in the stores; the ordering and sale capacity by squared feet, is extended with agility.



#### Benefits

The capacity to **fulfill 20 times more orders than a store**

**Grouping orders 15% quicker**, thus reducing delivery times

Support for the flow of orders and deliveries is accomplished by two hubs we set up this year. They consist of conditioning spaces with the infrastructure needed to perform activities related to our eCommerce services. The location of these two initial hubs was chosen in terms of areas with the highest saturation in Mexico City: The Taxqueña neighborhood in the southern part of the city; and Girasoles, a neighborhood to the east.

These initiatives have been accompanied by program and process designs that allow us to be more efficient in last-mile delivery times, combining routes, vehicles with greater load capacity, and vehicles for specific loads.



OMNICHANNEL



### 3. BROADENING CAPABILITIES TO OFFER SERVICE TO MORE MEXICAN HOUSEHOLDS

The benefits derived from our brick-and-mortar stores and everything relative to them are used to increase the potential of On Demand strategies, improving the value proposition for our customers and members. We therefore continue creating capacity and gaining shopping frequency with this strategy.



## Our store infrastructure is constantly evolving so our stores may become omnichannel

We adjust and innovate our stores and clubs prototypes, incorporating our regenerative approach, which means putting nature and humans at the heart of all our business practices. We also made changes in the distribution of spaces and blueprints to strengthen our omnichannel capabilities and thus help building a true ecosystem of choice for our clients.



The latest concepts have been added to remodeled stores so that these remodels have the same operational capacity and value proposition as any new omnichannel store.



**On Demand service has been activate in over 760 stores** throughout 120 cities, thus covering almost 70% of our big-box formats.



By leveraging our assets, we offer this large scale service for the greater convenience to our customers: **almost 95% of On Demand orders are delivered in less than 24 hours.**



OMNICHANNEL



In all our formats, we accelerated our stores transformation



245

units have been enabled this year with omnichannel capabilities

**BODEGA CASE**

Bodega's On Demand strategy is an ambitious and pioneering initiative, and its success has become **a case study for the Harvard Business School**. This publication is an acknowledgment to the effort, strategy, and resources invested and, as a whole, has enabled online commerce to reach the lower income population segments.

**+90%**  
of Walmart Supercenter have On Demand service

**+95%**  
of Walmart Express have On Demand service

Some 150 Walmart and Walmart Express stores have On Demand home delivery service in the most densely populated areas of the principal cities throughout the country.

To make life easier for Bodega customers who do not have a car, **there are 220 Bodega stores with Despensa a tu Casa service**. In this way, Bodega customers now have the opportunity to purchase any product, including large-volume items. As a result, the average ticket with Despensa a tu Casa is considerably larger than the average ticket in stores, and the NPS is higher than the average for On Demand.

**Omnichannel continues growing strong at Sam's.** During our Member Fest event, **online sales had great penetration** and contributed extensively to growth. **A full 100% of our Sam's clubs offer the On Demand service.**



### 4. WALMART PASS

Based on our purpose of helping our customers save money and time, this year we launched Walmart Pass, a subscription model where On Demand customers can get unlimited same-day home deliveries.

Unlimited Walmart Pass deliveries are for all online store departments, ranging from pantry items, dairy, fresh, bakery and tortillas, frozen, to household items, apparel, footwear and pharmacy products.

The current amount charged per delivery is 39 pesos. Through Walmart Pass, paying a monthly fee of 49 pesos, or an annual fee of 499 pesos, customers may receive unlimited home deliveries.

For greater customer convenience, we reduced the minimum purchase of 499 pesos to 299 pesos.



Our customers recognize the convenience of having this service, as is reflected in the good results achieved this year. The average ticket for Walmart Pass customers had double digit growth, as compared to those who are not program members; the average shopping frequency is also two times greater than non-members.

The positive reaction that Walmart Pass has produced is witnessed with the increase in subscriptions, and also in customer satisfaction levels for those who joined the program. We are on the right path, but we have a lot to do. We will continue to improve our service levels and to make life easier for our customers.

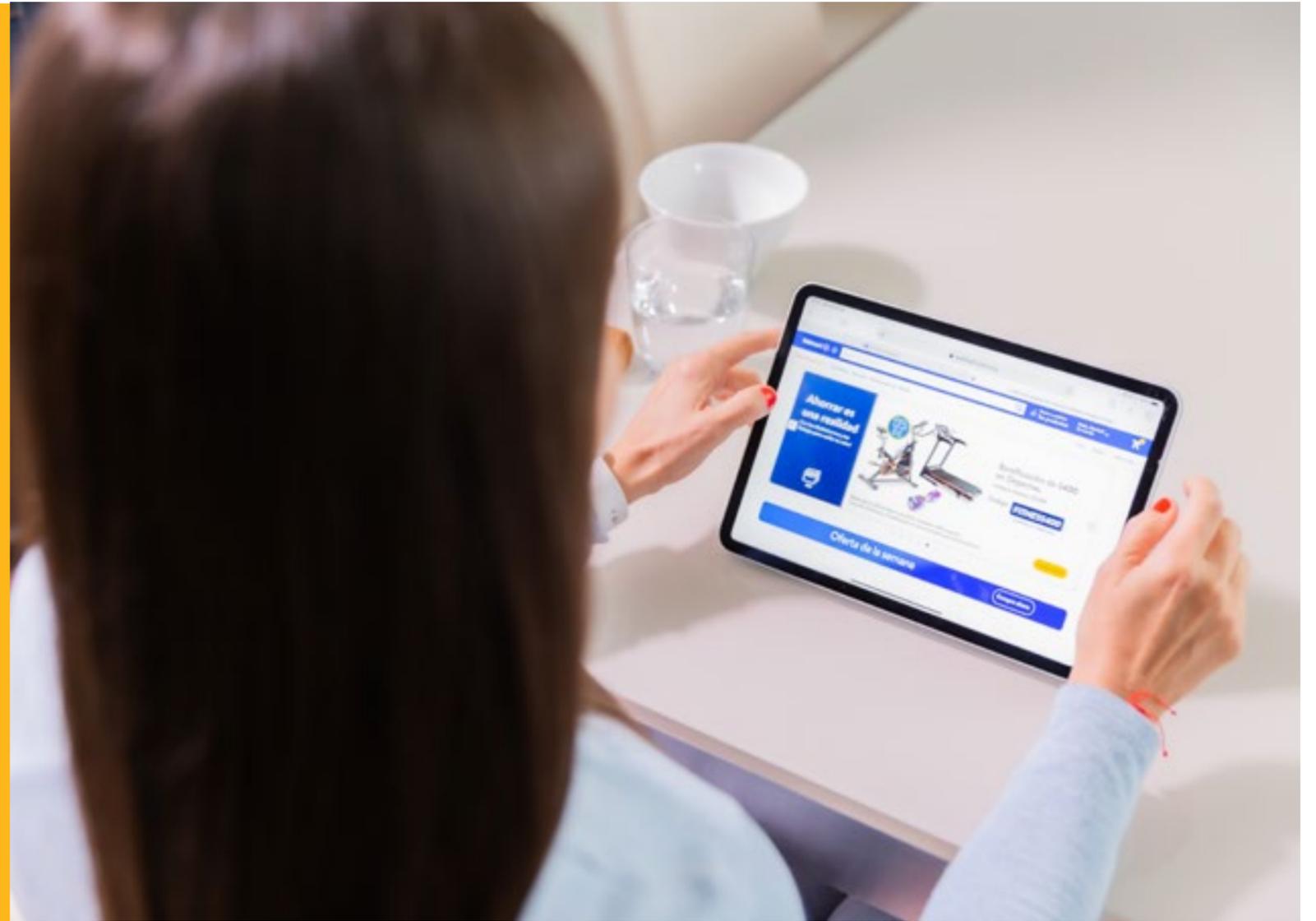


The positive reaction that Walmart Pass has produced is witnessed with the increase in subscription, and also in customer satisfaction levels for those who joined the program





# ACCELERATING EXTENDED ASSORTMENT



Our extended assortment is fundamental to achieving our ambition to lead in omnichannel. Although last year the challenges produced by the pandemic obligated us to focus on keeping our stores in operation, this year's focus was to develop our extended assortment strategy.

WTHGROWTHG  
OWTHGROWTH  
GROWTHGROW  
THGROWTHGR



OMNICHANNEL



## MARKETPLACE

This year we developed new categories for our marketplace and continued to increase the number of products, with a great value proposition.

Approximately 90 virtual stores were enabled within the platform, including official trademark stores and exclusive items. Having this space with the offering of brands that our customers love and look for on our platform represents an opportunity to access a more extensive assortment, which translates to improving their experience and favoring us with their preference as their first shopping choice.

Likewise, we have moved ahead in the implementation of the cross-border operation, which means having an international Marketplace where we have added almost one million items this year alone.

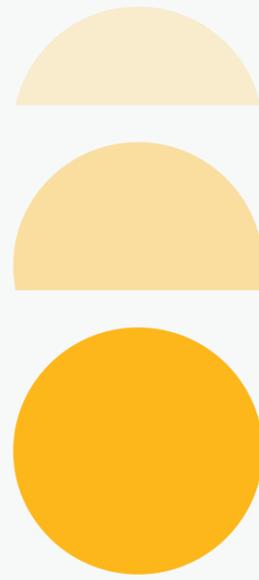


In comparison with last year, we tripled the number of products through virtual stores and doubled the number of sellers, which allowed us to reach new customers with the merchandise and brands they look for and which are not currently available in our brick-and-mortar stores

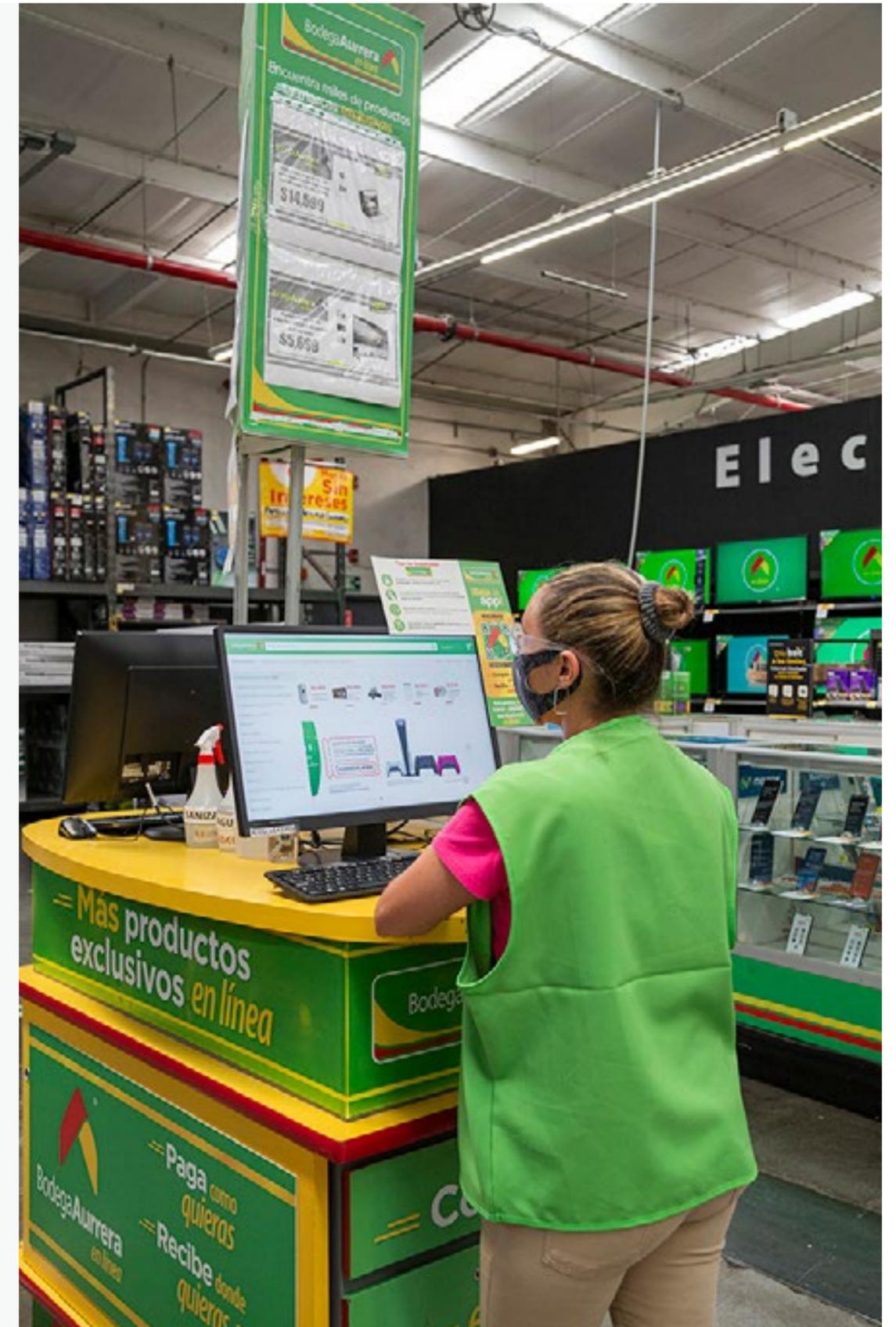


### KIOSKS

Kiosks offer our customers comprehensive and personalized solutions through the support of an adviser for any purchase option, representing the valuable opportunity of providing access to an even larger product catalog. For many of our Bodega customers, this is a special entryway that leads them to eCommerce, thereby providing them with greater trust in their purchase.



We continue investing to increase kiosk service and infrastructure. This year we closed with more than 1,200 kiosks throughout Mexico





OMNICHANNEL



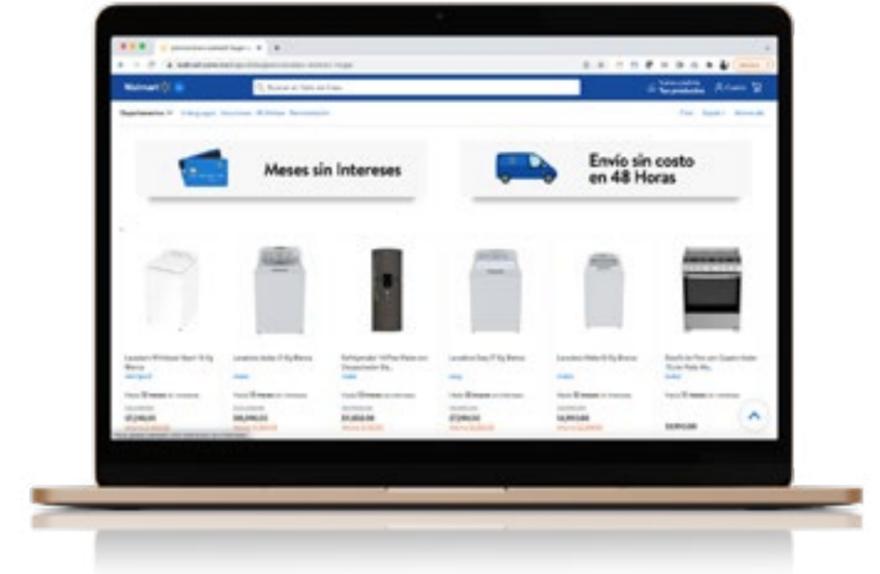
## SHOPPING EXPERIENCE

We continue working to improve the shopping experience customers regarding the extended assortment, from search, follow-up and returns options.

A machine learning algorithm has been applied to improve search results, presenting products according to customer preferences or market trends.



As a result of improvements made to logistics planning, Extended Assortment orders are delivered within 24 to 48 hours in the 5 main cities



Moreover, more detailed data management has led to better decisions on how to achieve the delivery or greater volumes in less time.

We have moved further along on the right path. Our technological and automation capabilities shall continue to improve. In addition, we will continue improving our logistics plans to be quicker and more efficient, thus achieving our ambition to lead in omnichannel.



Omnichannel Store

Online store

Buying options



Shelf



Kiosks



Extended assortment screens (QR code)



Websites



Apps



WhatsApp

Payment options



Cashier in store<sup>1</sup>



Self-checkout<sup>1</sup>



Digital payment



Cashier in store<sup>1</sup>



Digital payment



Delivery options



In-store



Pickup module



Pickup Point



Home Delivery

1. Payment in cash, with credit or debit card.



### OMNICHANNEL OFFERINGS

**2,756** STORES



-  **2,198**
-  **294**
-   **99**
-  **165**

**1,244** KIOSKS



-  **855**
-  **359**
-  **30**

**766** ON DEMAND STORES



-  **222**
-  **281**
-   **98**
-  **165**

**1,432** PICKUP POINTS



-  **875**
-  **294**
-   **98**
-  **165**



STRATEGIC PRIORITIES



ENABLERS



### ECOSYSTEM OF CHOICE

- Ecosystem of Choice
- Bait Connectivity
- Financial Solutions
- Walmart Connect
- The Experience of our Walmart Ecosystem

**2.3**  
million  
Bait users

**1.7**  
million  
Cashi users

WE TRANSFORM

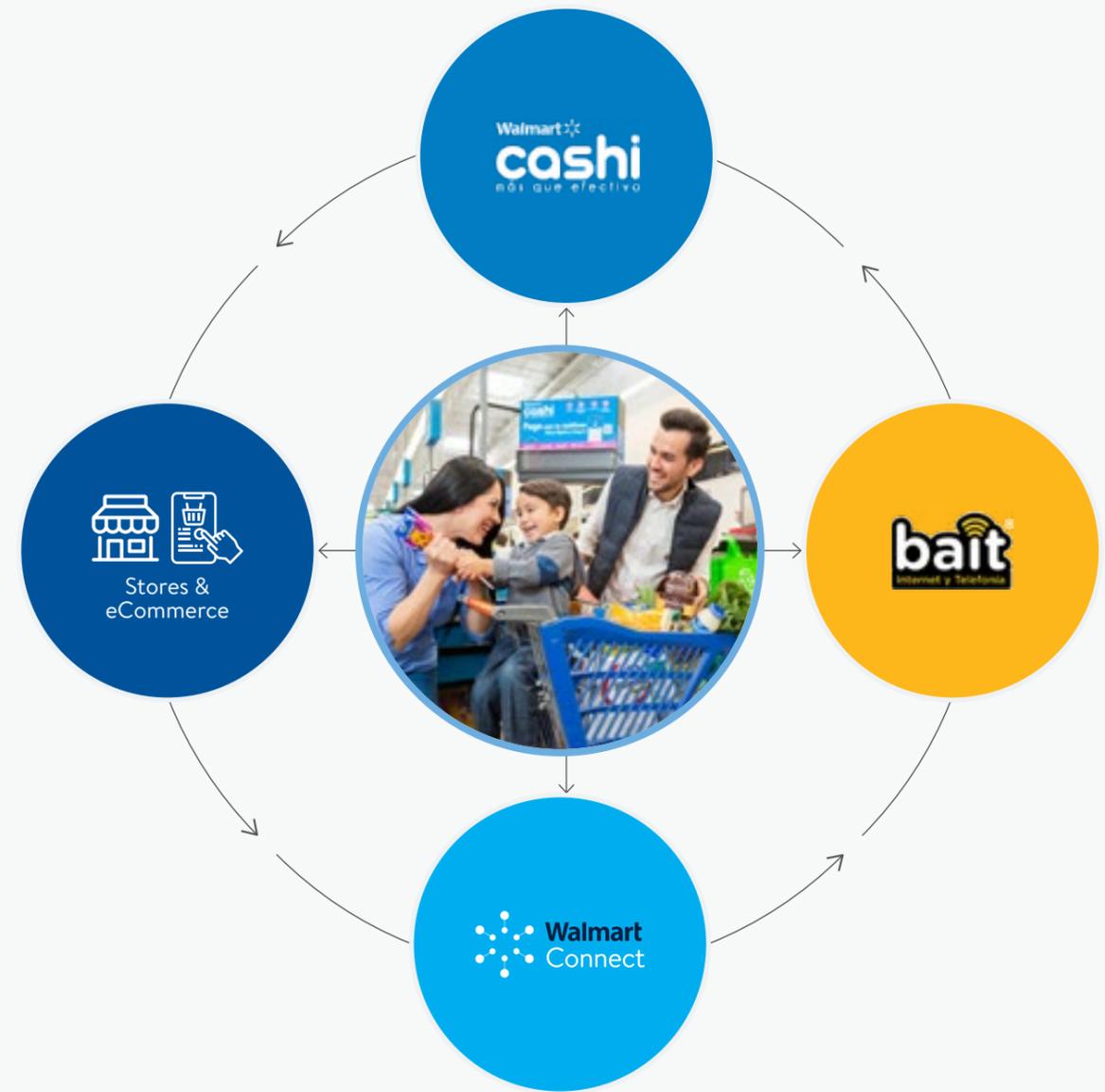
# IDEAS INTO AN ECOSYSTEM





# ECOSYSTEM OF CHOICE

With our customers at the center of our decisions, we identified the most valued services around the shopping experience and their priority needs, and we are building an interconnected ecosystem that allows our customers to get products and services seamlessly, also giving them access to new digital economy opportunities, helping them to save money and time.



In this manner, our customers can have the best shopping experience and will continue to choose us as their primary preference

SYSTEM ECOSYS  
SYSTEM ECOSYS  
ECOSYSTEM  
SYSTEM ECOSYS



## BAIT CONNECTIVITY

On 2020, we launched Bait, our connectivity and pre-paid mobile phone service that is affordable and inclusive in support of all Mexican households.

In keeping with our purpose, we are helping people save money and live better by offering the connectivity they need at affordable prices, and rewards them for shopping in our stores.



### Our value proposition is based on three elements:



#### 1. LOW PRICES:

Our commercial offering is more attractive, with low rates, unlimited connectivity, data, voice, and SMS with domestic and international coverage.



#### 2. MAXIMUM SPEED COVERAGE:

We offer the experience of speed provided by the 4.5 LTE network, and even reach small cities that had no coverage in the past.



#### 3. CONNECTING THROUGH YOUR PURCHASES:

For every purchase made in our stores, our customers are rewarded through our Mi Bait app with added megabytes, so they can remain constantly connected.



**This year, Bait is available in all our business formats nationwide:** Walmart, Walmart Express, Bodega Aurrera, and Sam's Club, and can be obtained at our points of sale -both internal and external- or via digital media at our website miBait.com or with our app.

By enabling the connectivity of our customers, we have untapped up a new universe of possibilities by adding them to the Walmart ecosystem and solving their pain points. The acceptance of Bait has been particularly high in Bodega Aurrera.

We have invested in talent, technology and in customer acquisition to strengthen our long-term strategy, as reflected in the good results posted for 2021 shown below:



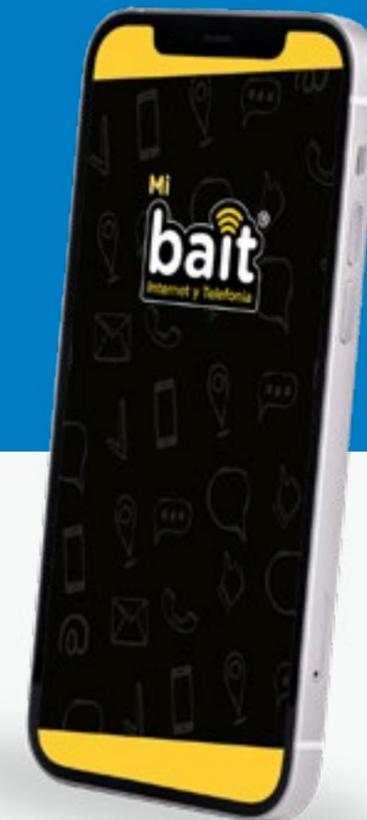
Thanks to our user base, we are now one of the largest Mobile Virtual Network Operators (MVNO) in the country

**Increased number of visits and users:**

**2.3 million** users at the end of 2021

**880,000** downloads of our Mi Bait app

The **highest scored app** in the sector





It is encouraging to take our value proposition of low prices beyond retail, thus continuing with our promise of helping our customers save money and live better, also giving them access to the digital economy

**Our broadened points for top ups:**

- **Our own channel:** over **2,700 stores** from **all our formats**, with differentiated top up options at Sam's
- **External Channel:** 65,000 external top up points openings, including other grocery and specialized stores
- **Digital channel:** Top up through our Cash app, our digital wallet and from our website miBait.com

**Intensified advertising through different channels:**

- Massive radio, TV, digital, and billboard campaigns twice a year
- We opened digital channels for our brand
- We sponsored two concerts during this past year



**Reinforcing our presence at the points of sale:**

- Advertising material was placed in the stores
- SIM-card availability was guaranteed in our self-service units
- More than **22,000 activations** took place **through BTL (Below-the-Line) events in stores**

**Broadening the benefits of our service through other stakeholders:**

- Our support of the Small Farmer program began this year. **Through our Walmart Mexico Foundation, we delivered affordable Bait equipment and plans for small farmers in communities** where other operators are not available, and now they have the tools and connectivity needed to conduct their sales with modern technology.
- We established agreements with suppliers to leverage the program and contribute to its development. This connection with our suppliers plays a very important role in achieving broader connectivity as well as a greater impact with the program.



## FINANCIAL SOLUTIONS

We offer low-cost and flexible financial services, giving our clients access to the digital economy and delighting them with new experiences. Hand in hand with our core business and with the strength of our assets, we position ourselves in a unique way to create the leading financial ecosystem in Mexico.



Our ambition is to create a digital connection with our customers so we can know them and serve them better

### Our financial services have three pillars:



#### 1. DIGITAL WALLET

our customers and members can perform cash top ups on the app, and use their balance to pay for different services in our stores and clubs, such as telephone, electricity, cable, entertainment and transportation, among others; without having to pay commissions.



#### 2. CREDIT:

our goal is to provide access to financial services so customers can buy their favorite products and pay for them later



#### 3. REMITTANCES:

we activated our remittances-collection services at all our checkouts so our customers can collect the money sent to them from abroad.



**1.7**  
million  
Cashi users

**In 2018 we launched our Cashi app, whose purpose is to provide digital financial solutions to Mexican families. From its creation, to date, Cashi has evolved and now has the following features:**

- **“Card on file”**, which allows our customers to top up their Cashi balance with a debit or credit card, without having to go directly to the stores. This saves them time and provides a contactless, quick, and safe experience.
- Bait mobile top ups
- Business-to-business (B2B) dispersions where companies, can offer benefits and rewards to their employees via Cashi
- +70 services have been activated for digital payments

**In 2021, we made great strides in financial services.**

We are the second chain with the greatest number of paying points. Remittances can now be easily collected at our front end

Last December, together with a third-party, we launched a pilot to disburse credit via Cashi in almost 30 Walmart and Bodega stores. **We are granting credits of up to 6,000 pesos** so customers can shop for their favorite items and pay for them later

Customers receive a **2% cashback when they pay** for their purchases with Cashi



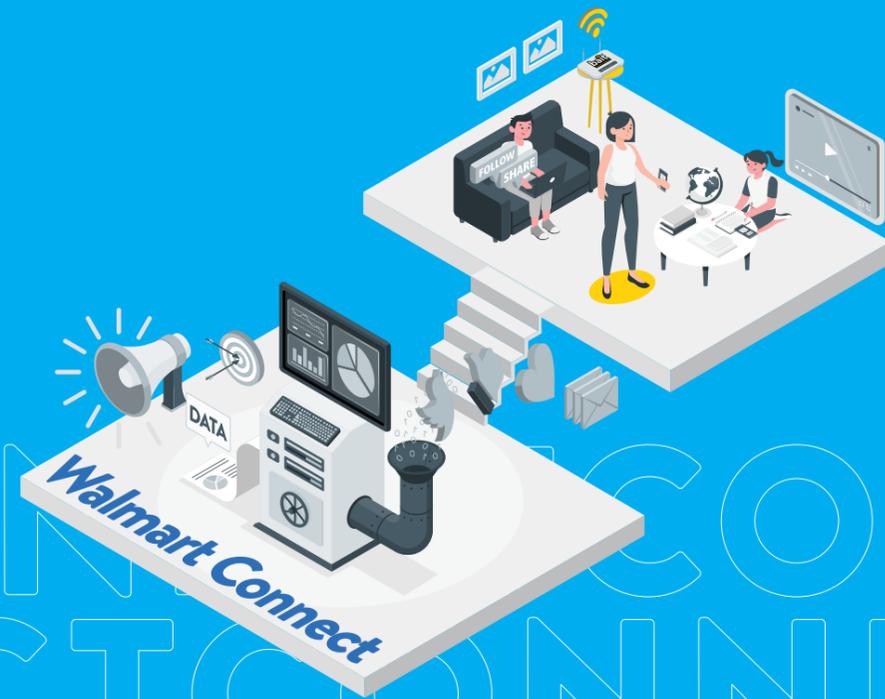
The following step moving forward is to offer low-cost and more flexible financial solutions to solve our customers' pain points

In addition, we will launch the Walmart to Walmart remittance service, in which our customers in the United States will be able to send remittances from our stores and be paid directly at Walmart stores in Mexico, facilitating the process and access to this service for all Mexican households.



## WALMART CONNECT

Walmart is a leading omnichannel retailer in Mexico and Central America because we put the customer first. By using our resources to create more meaningful connections between our customers and advertising partners, we are expanding and enriching our ecosystem for everyone's benefit.



Our goal is to become the leading media platform in Mexico, helping brands connect with five million customers we daily serve in our brick-and-mortar stores in Mexico, with the most robust omnichannel offer, and using information and data to increase the effectiveness of their campaigns

### Our offering is based on two pillars:



#### 1. OUR SCOPE:

by adding our traffic in our stores and digital channel, we become a nationwide mass communication media.



#### 2. CUSTOMER INTELLIGENCE:

knowing what our customers buy provides us with a competitive advantage.



We have unique advertising capabilities that help brands connect with our customers, both more frequently and with greater importance, thus leveraging the following strengths:



Massive omnichannel reach



Comprehensive solutions for brands



Sophisticated segmentation capabilities



In-depth knowledge of our eCommerce customers



Being able to leverage our assets in favor of our customers makes Walmart Connect one of the best and most important monetization opportunities, which will help maintain low costs in the future



These strengths allowed us to achieve the following results in 2021:

**50%**  
advertisers  
growth vs  
2020

**+77%**  
campaign  
growth vs  
2020

**CASE OF SUCCESS**

Fiestas Patrias

Check out our **omnichannel campaign** video inspired by reinventing the Mexican party to accompany our clients in each of their moments



# THE EXPERIENCE OF OUR WALMART ECOSYSTEM

Each vertical plays a specific role within the ecosystem, and the combination of these vertical anchored to the omnichannel business make the Walmart ecosystem unique.

[Click to see more](#)

.....> Path

+ See information

START





WE EVOLVED

INTO

# CAPACITIES ACTIONS



STRATEGIC PRIORITIES



ENABLERS



## ENABLERS

- Customer Centricity
- Technology and Data
- Logistics
- Best Talent

# 31

**Distribution centers (DCs)**

20 Mexico  
11 Central America

# 231,259

**Associates**

193,902 Mexico  
37,357 Central America





# ENABLERS

We understand that our customers' needs and shopping habits constantly change and we focus on creating solutions to adapt to this continuous evolution accordingly. We continue to invest heavily in enablers that allow us to execute our customer-centric strategy and propell us forward. **Customer centricity** continues to be our main focus, in order to improve experience and streamline the way we serve customers by using **technology and data** to enhance our decision making, by leveraging our logistics infrastructure and by empowering our **talent** to execute.



ERSENABLE ERSENABLE ERSENABLE ERSENABLE ERSENABLE  
 ENABLERS ENABLERS ENABLERS ENABLERS ENABLERS  
 ABLERS ENABLERS ENABLERS ENABLERS ENABLERS



# CUSTOMER CENTRICITY

We put our customers at the heart of everything we do. We listen to them to understand their needs and offer them the best service. We focus on delighting them by serving them when and where they prefer to shop.

Our customers have increasingly gone digital by embracing eCommerce. We have directed our efforts to develop communication and marketing strategies in digital channels and in traditional media to accelerate and support their adoption.

We meet our customers and associates needs by listening to them. We conduct systematic research to obtain first-hand information about their perception of our services. All this information is crucial to developing strategies to better connect with them to offer the shopping experience they are looking for and meet their needs.

CUSTOMER CU  
TOMERCUSTO

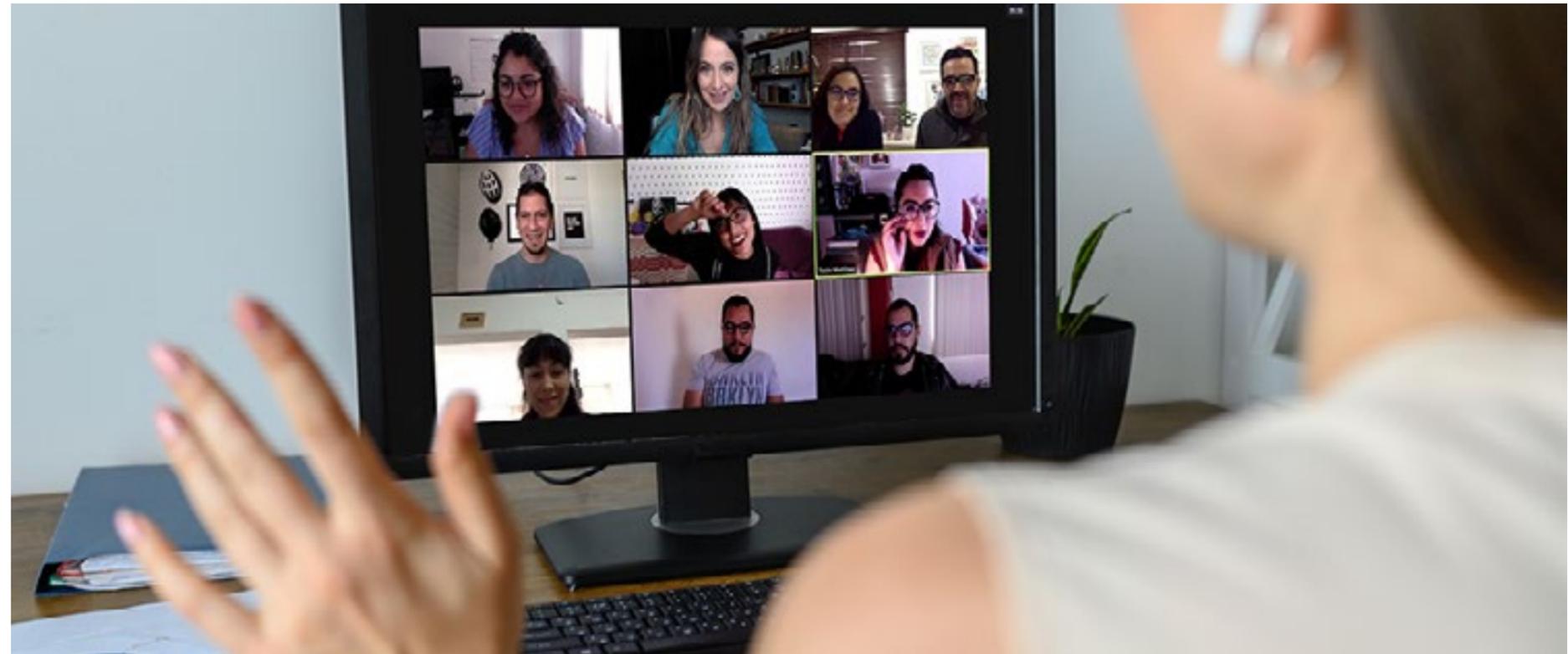
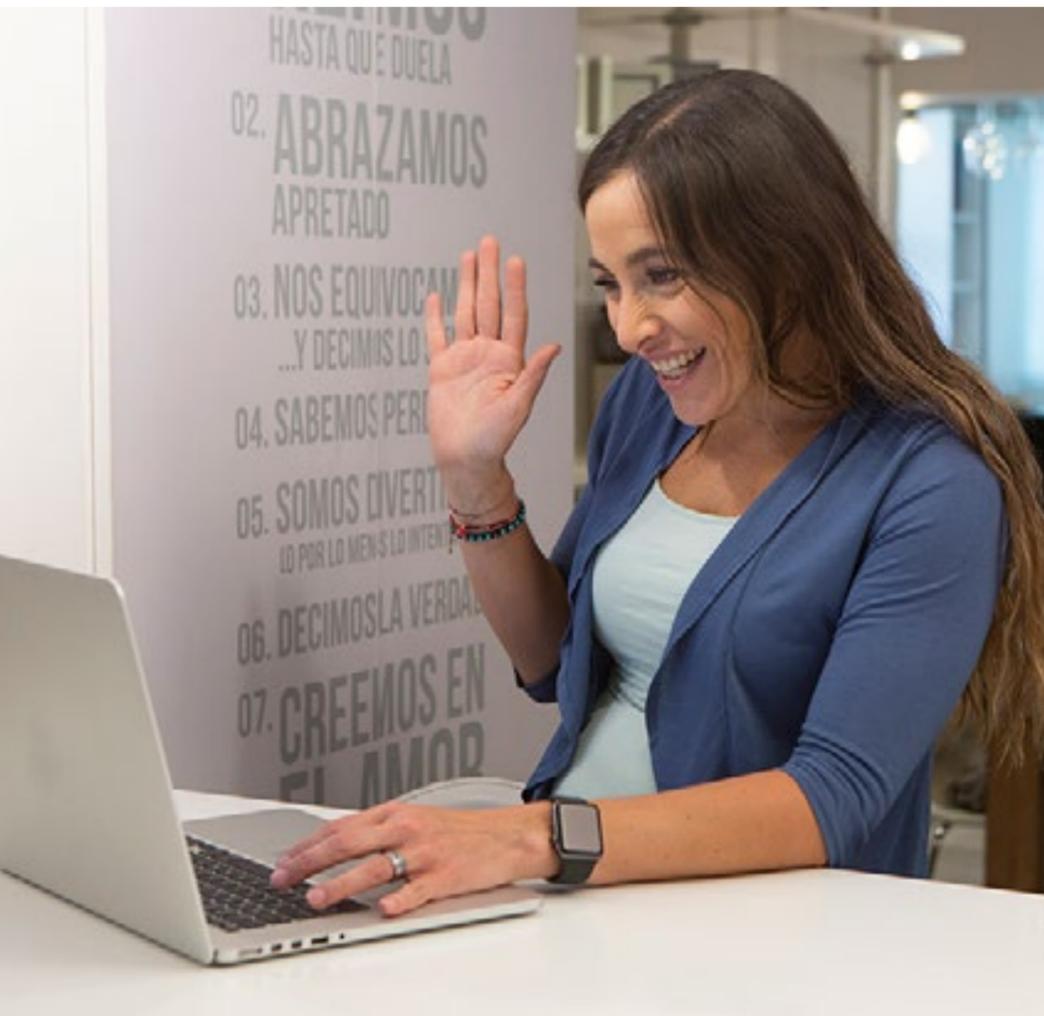


By listening continuously to our customers and members, we are keeping them satisfied



## CUSTOMER-CENTRIC CULTURE

This year we launched our **Customer-Centric Culture Training Program** establishing the fundamentals of a **customer-centric culture**. We shared information with our staff and operations associates to help them better understand our customers and the indicators that help us measure their experience and satisfaction levels.



We carried out the following activities:

**Two webinars** were broadcast to more than 8,000 associates, where Walmart specialists shared their knowledge about the following topics:

- **Knowing our customer:** we learned about our customer's three dimensions: person, environment and shopper. We discovered how the dimensions interconnect to influence their purchase decisions.
- **Omnichannel NPS:** we discovered the relevance of the Net Promoter Score (NPS) and how it relates to our business indicators and the levers we must activate to improve the omnichannel customer experience.

**Live with Shoppers:** We held 27 virtual group sessions with customers in all our formats, when more than 2,500 staff associates participated, listened and interacted with them. In these sessions, we learned more about the customers, their needs, concerns, and priorities, both personally and as related to their families. We also understood how they adapted their organization at home and work and their purchasing habits to the new normal.

All this knowledge is available on our ULearn training platform, so our associates can go back to read the information any time they need it.



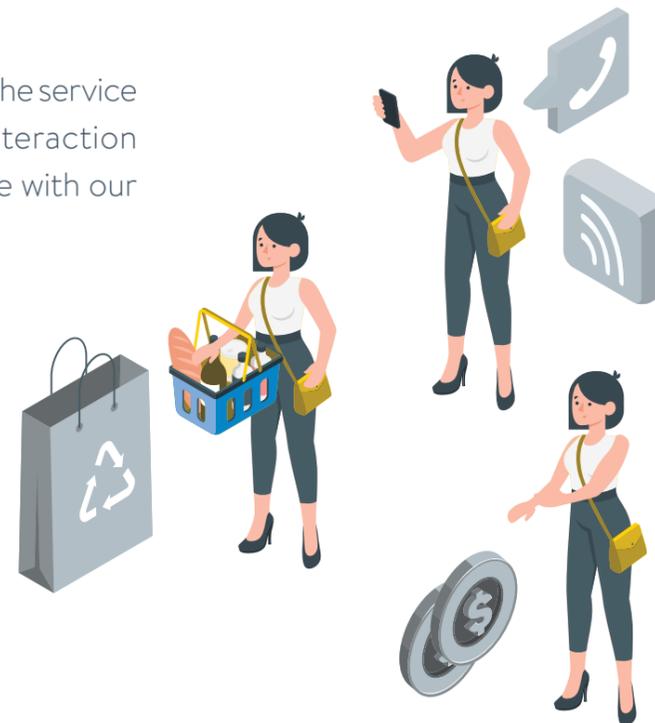
## WE IMPROVED OUR CUSTOMER AND ASSOCIATE EXPERIENCES

GRI 102-43

We work to drive a positive impact in how we interact with our customers.

**●●●** We made progress in implementing the Customer Journey methodology created to define customer experience solutions in our omnichannel formats

This methodology identifies the pain points in the service journey. It provides answers enhancing interaction during the shopping experience as we evolve with our customers.



**+40%**  
increase in sales in rearranged departments in Bodega Aurrera

In the case of Bodega Aurrera, we conducted an in-depth analysis of the pantry food staples and perishable produce routes to understand customer preferences and improve their shopping experience in stores.

As a result of our rearrangement of store products, we increased sales by 40% in the impacted departments and enabled new automated collection systems to expedite customer payment processes.



## WE MEASURE CUSTOMER SATISFACTION

We use various digital tools to monitor our customers' shopping experiences.

We have two satisfaction surveys that help us identify our strengths and weakness to develop action plans and to improve their perceptions:



Customer Experience Index



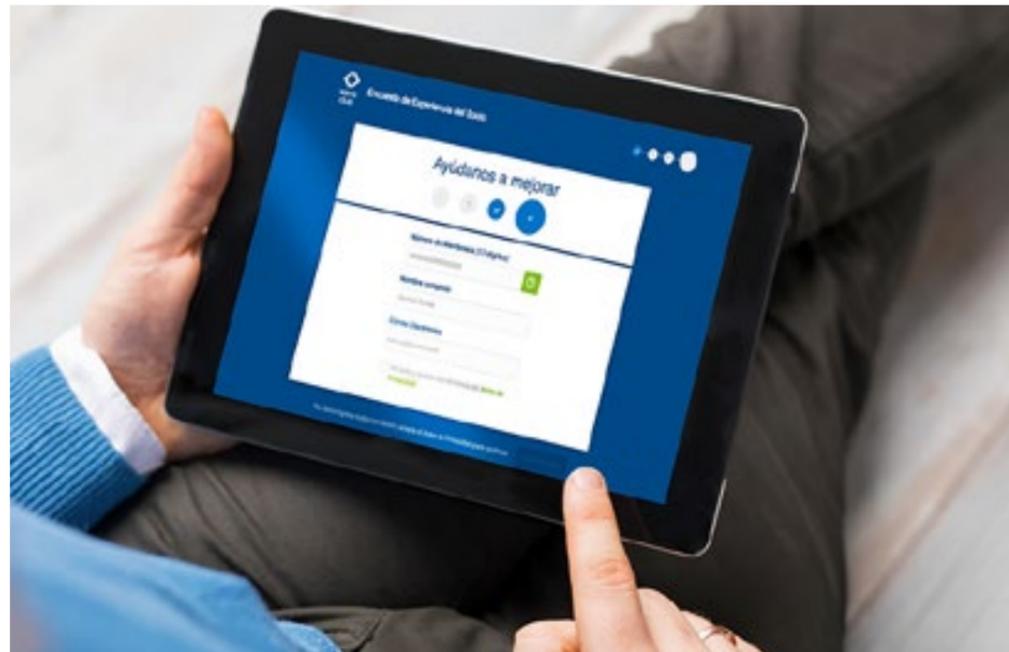
Associate Experience Index



### Tablets



Email / Social media:  
Sam's



**+26,300** surveys applied to our customers and associates in the region

Our Bodega Aurrera, Walmart Supercenter and Sam's Club stores have these monitoring mechanisms **in place at 100%**



### Results for Mexico

- 2.9% increase in overall recommendation rate of our customers
- Increase in overall satisfaction rate of our selfservice customers



### Self-Service

- Increases in recommendation rates of our clients: 5.7% at MiBodega, 4.6% at Bodega Aurrera and 2.5% at Walmart Supercenter
- Increased satisfaction rate of our selfservice customers
- Mi Bodega was highest rated format in general satisfaction in self service



Sam's reported the highest NPS of all our formats



### Results for Central America

- Kept our overall client recommendation rate
- Kept our overall client satisfaction rate
- Self-service was best evaluated format in general satisfaction



### eCommerce

- 3% increase in client recommendation rate



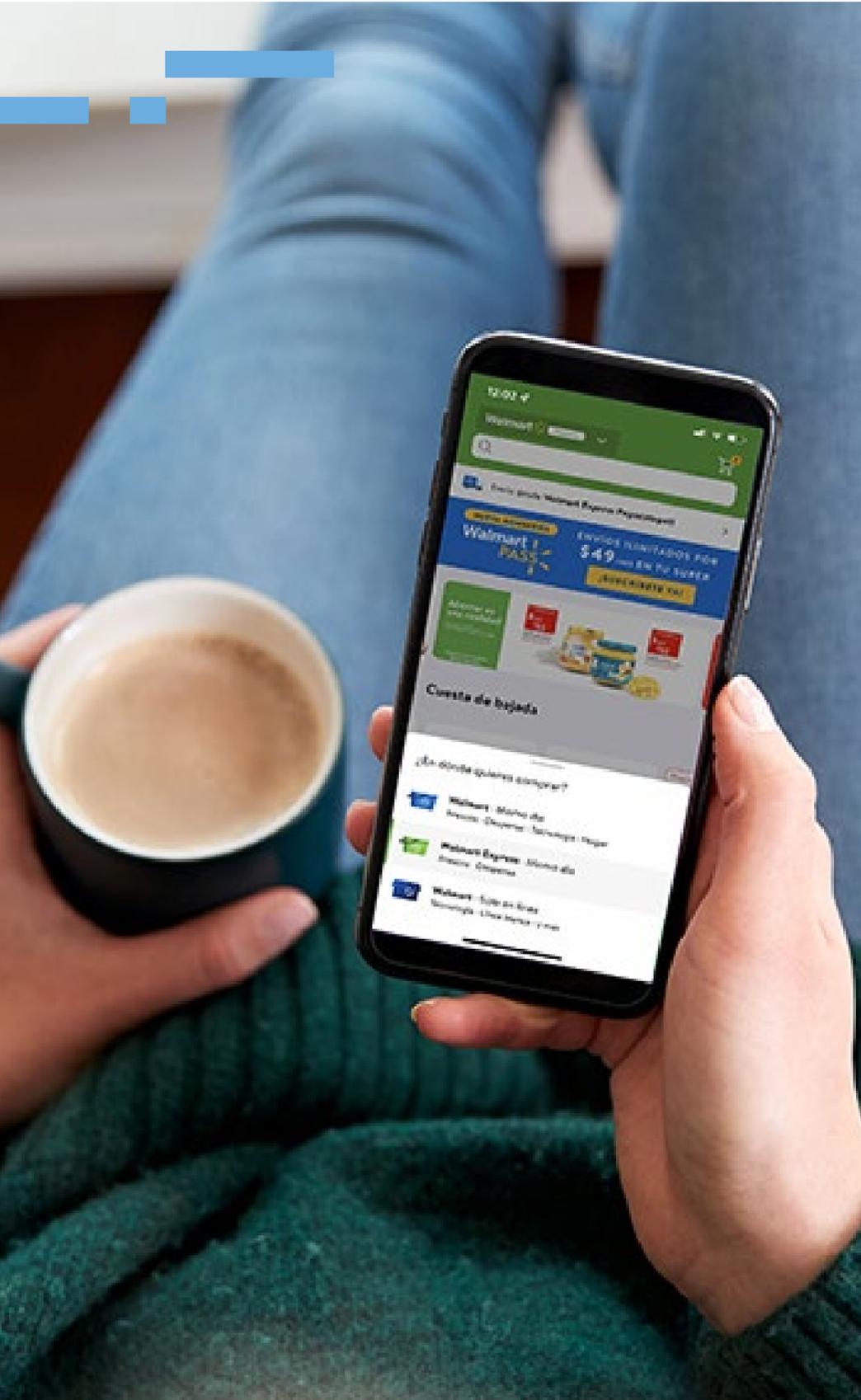
### Sam's Club

- 2.4% increase in members recommendation rate
- Increased our members satisfaction rate
- 2.2% increase in membership renewal intention in members that buy at Clubs and online
- Best evaluated format in general satisfaction



### eCommerce

- 12.3% increase in our clients and members recommendation rate
- Increased our clients and members satisfaction rate
- Walmart Supercenter was best evaluated format in general satisfaction



## OMNICHANNEL NPS EVOLUTION

**The adoption of the NPS across the company, including annual goals, helped us achieve our customer-centric vision goals.** We understood their major pain points and worked to understand root causes in order to provide end-to-end solutions to improve their journey. We used our NPS to track other customer-related metrics that helped us devise holistic solutions to improve their experience.

In 2021, we evolved the NPS measurement system in Mexico to enhance the omnichannel customer and associate shopping experiences.

We hired CxTeam and Medallia to help us measure the indicator in all of our customer contact channels. These commercial partners will accompany us in this evolution to increase data granularity, which will allow us to identify the pain points and strengths our customers experience both in stores and on our websites or apps.

We will also be able to consolidate the information we receive from different sources in a single repository to provide access to an end-to-end view of customer interactions and leverage this knowledge. This new tool, which we plan to launch in 2022, will allow us to continue improving the customer shopping experience and encourage their loyalty.



In line with NPS, we tracked other customer related metrics that helped us come up with holistic solutions to improve their experience

Last year, in Central America, we began to transition to the Customer Experience measurement methodology, based on the one used by Walmart Internacional consisting of an online questionnaire we use to evaluate six variables that measure customer satisfaction: cleanliness, speed, friendliness, quality, price and assortment, as well as satisfaction and our NPS.

In 2021, we used this methodology **to obtain more than 1.3 million responses from our customers and 100% representativeness, with an average of 120 surveys per store.**



## COMMUNICATION CHANNELS

We have a Corporate Contact Center to offer customers different communication channels.

Customers can communicate with us through the following channels:



Social media



Telephone



Email



WhatsApp



Corporate site chat



Campaigns

## CAMPAIGNS

We run different campaigns through multiple channels throughout the year. Such was the case of the Irresistible Weekend, which began with an eCommerce presale and continued with product offers in stores and online.

We also participated in the Hot Days campaign. At Sam's Club, we scheduled special events for members such as Socio Fest and Open House to invite customers to shop at our clubs without a membership to get a first-hand glimpse of the product assortment we sell at the best prices.



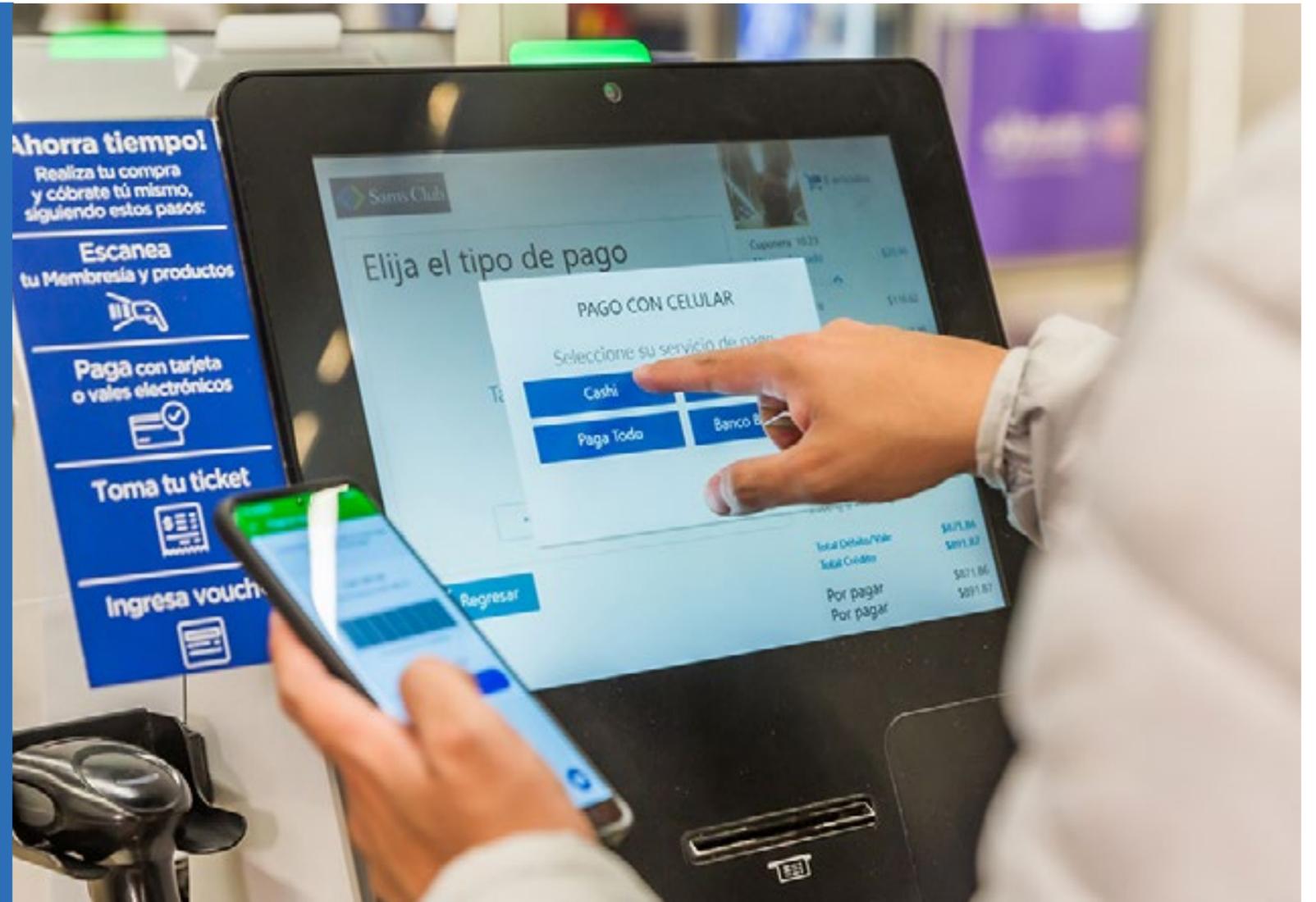


# TECHNOLOGY AND DATA

Technology and data have become one of our main tools for growth. **We are accelerating our digital transformation as we invest in developing new technological capabilities that allow us to turn data into information to make strategic business decisions.**

One of our great advantages as a global company is our experience making great strides in technology and implementing best practices in other markets, such as the United States, China, India and Canada. This strength we call Powered by Walmart allows us to implement the best technology in the shortest possible time and at a much lower cost because we leverage the investments made in other Walmart markets.

TECHNOLOGY  
TECHNOLOGY  
TECHNOLOGY



We will continue to generate technological solutions and make data-driven decisions to ensure an agile operation and transform to continue building the Walmart of the future



## DATA-DRIVEN DECISIONS

We have integrated data as a fundamental tool in our decision-making processes.

We built a predictive marketing model focused on consumer needs. One of the model's basic components collects and analyzes the data we use to better understand our customers and how the different macroeconomic, market and trend variables influences their purchase decisions.

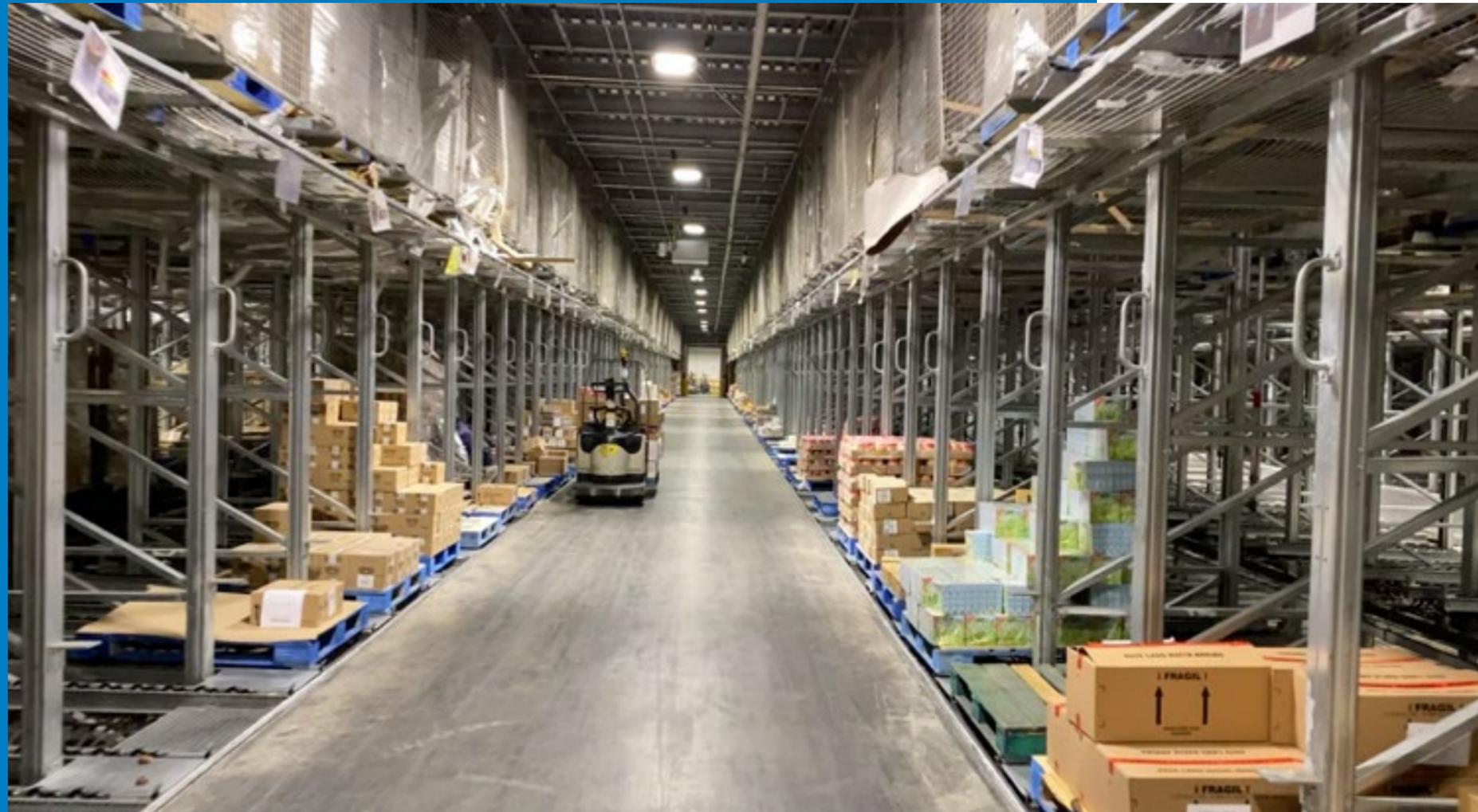
The model allows us to determine the best way to invest in each of our formats and offer a personalized and enjoyable shopping experience that our customers value. We also use this data to implement new initiatives to connect digitally with our customers to offer them an omnichannel experience to buy their products when and where they prefer to shop.

**Regarding our infrastructure, we developed a data-driven model to help us make better investment decisions, optimizing new project feasibility.** We use this tool to classify and analyze projects based on four criteria: operating profit, operating expenses, the investment time horizon, and competitiveness.

This project assessment method has represented a major change in our implementation and management processes by providing greater clarity and strengthening our decision-making process.

We collect data generated by consumer habits and preferences and translate it into information to improve our operational efficiency





We also use data to make decisions in our operations. We know that the implementation of our strategy requires investments, so we are intensifying our expense and productivity management efforts.

**This year we started the execution of the Smart Spending project, which reinforces our Every Day Low Price culture, using technology and data analysis to enable cost-saving and streamlined operations while generating savings.**

Because of the scale of our company, new data-driven implementations yield significant savings. For example, a change in our logistics fleet scheduling resulted in annualized savings of 140 million pesos.

In total, in Mexico we identified about 3,700 million pesos in savings, of which we executed 1,000 million pesos in 2021. Between 2022 and 2023, we will execute the remaining savings.



The constant transformation of our data-driven agile process guides our business decisions



## OPERATION OPTIMIZATION



### SUSTAINABLE MAINTENANCE:

This year, we invested a significant amount in automating our maintenance system to increase our operational efficiency, spend smartly and achieve significant profitability and sustainability benefits in both the medium and long term. We use this system to centralize all operations in the same channel and use the data collected and algorithms to measure our energy consumption and connect it to other factors such as weather, rates and inflation to be more assertive in our investment decision-making processes.



### FRESHER PRODUCTS:

At Sam's Club, we use automation to keep our products fresher with zero waste. We began to use the Fresh Sales Tool technology with data-driven algorithms that help us be much more assertive in our procurement and fresh produce production processes, sell more with fewer resources and generate less waste.



### OPTIMIZED SPACES:

To improve our members' shopping experience and help our associates save time, in 2021, we launched a new tool at Sam's Club to enhance the mapping of spaces by category and club and improve space planning and optimization. This product will help streamline our associates' working processes.



### CENTRAL AMERICA:

This year we launched the Customer Value Program app to manage markdowns and exit strategies more efficiently and improve profitability.



## TECHNOLOGY AND SYSTEMS

Our Technology and Systems Division providing omnichannel services to both internal and external customers has implemented a new model to improve internal connections and enhance external connectivity with our customers. This model is based on a cell design consisting of six jointly developed points:



**1. Create new technological capabilities.** This year we implemented 115 new initiatives, the most emblematic of which features the improvements applied to internet access and self-checkout service at stores.



**2. Operational excellence:** Operate with fewer resources, increase value and cut costs with the continuous monitoring of all internal operating platforms, aimed at anticipating and preventing failures.



**3. Developments focused on the internal customer:** Maintain communications between corporate divisions to develop and implement models that streamline daily work processes.



**4. Technology enablers:** Identify the best technology at the best cost and develop suppliers to bring the best talent to the company and spend smartly.



**5. One technology team:** Have a team staff member in each tribe to stay informed of new opportunities, allowing us to anticipate remote working and plan for the future.



**6. Information security:** Protect the company's databases and information from the cyberattack attempts that occurred this year. We prepared to serve as the first line of defense to protect and monitor the thousands of electronic devices connected and anticipate failures.



We increased our network connectivity with more modern technology to improve connectivity by 8x and reduced costs by **15%** in stores, distribution centers and offices



# LOGISTICS

One of our greatest competitive advantages is our logistics network. We were pioneers in investing in infrastructure in Mexico, and the efficiency of our network has been essential to our Every Day Low Price guarantee.

In addition to fulfilling their function of having products available to our customers shopping in person, our stores are being enabled as omnichannel distribution points. **We aspire to turn each store into a distribution center and further strengthen our operational efficiency.**



Now, this competitive advantage is evolving into the omnichannel space. We are transforming our network by adapting it to future business needs

GISTICS LOGIS  
LOGISTICS LO  
STICS LOGISTI



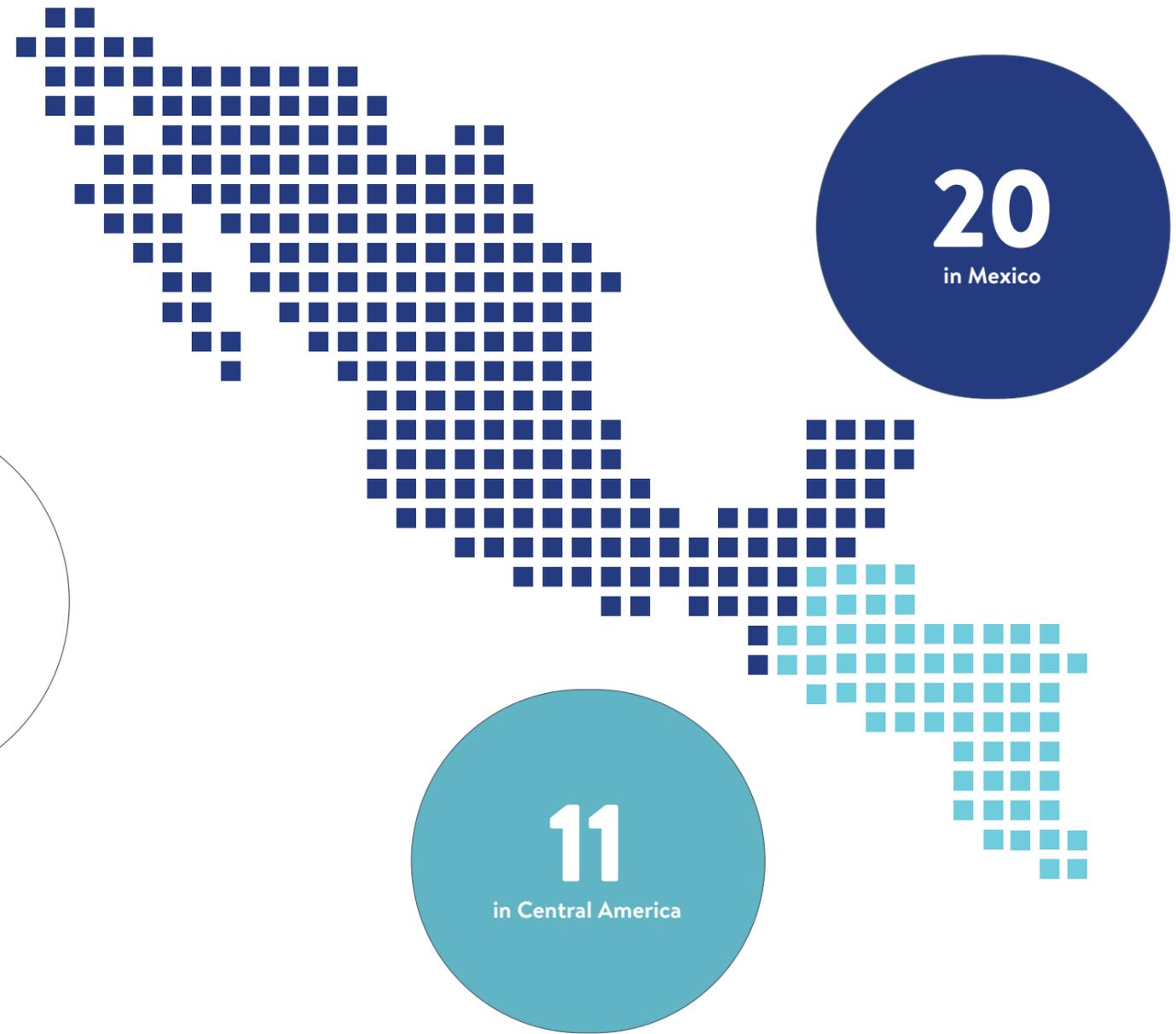
## INTEGRATED OMNICHANNEL NETWORK

One of the capabilities we progressed on, was our **integrated omnichannel network**. Customers are evolving, the market is evolving, and our network is evolving too.

We progressed on our brick and eCommerce transportation and DCs integration to build the foundation to become a digitized, automated, and omnichannel network.



**31**  
distribution centers



The opening of our new distribution centers has improved merchandise flows making them faster and more efficient



**We invested 986 million pesos to open the Santo Niño distribution center in Mexicali, creating more than 700 direct jobs and more than 1,000 indirect jobs.**

The distribution center is equipped with the capacity to process nearly five million boxes of goods received and shipped per month to supply the Bodega Aurrera, Mi Bodega Aurrera, and Walmart Supercenter stores in Baja California and Sonora in the northwestern region of Mexico. As part of our commitment to inclusion, close to 2% of our associates in this DC have a disability.

Therefore, we invested in a transportation system for our associates, including access ramps for wheelchairs.

Together with the Government of the state of Tlaxcala, we also celebrated the signing of a collaboration agreement for the construction of a new omnichannel distribution center in the city of Huamantla that will create more than 1,200 direct jobs and more than 700 indirect jobs. We expect to invest more than 3 billion pesos in this new DC, of which 608 million pesos will be allocated to technology and innovation, which will be directly connected to our omnichannel value proposition to supply 240 stores located in Mexico City and the states of Hidalgo, Oaxaca, Puebla, Tlaxcala, and Veracruz.

We believe a truly omnichannel logistics network, will allow us to improve our service levels and to accelerate growth by enabling us to flow all merchandise indistinctively to stores, customers' homes or pickup locations.



Logistics offer us a huge opportunity to create jobs and do so inclusively



## PERISHABLES NETWORK



Proximity to customers and our ability to deliver a full basket, including fresh items, in a couple of hours, is one of the main competitive advantages we want to further strengthen

We built the capacities needed to centralize produce distribution. This will allow us to increase availability, freshness, shelf life, and overall customer experience in hard-to-reach areas for our suppliers. **In addition, we are expanding the DC Villahermosa capabilities, that will be a model Perishables DC for the southwest region, and it will allow us to serve more than 250 stores in 7 states,** bringing us closer to our customers. And we will expand the capacity of the Culiacán DC by 40%, which will help us reduce lead times and increase availability in the region.

## ALIGNMENT WITH SUPPLIERS

We worked with top suppliers to simplify receiving processes through new initiatives such as fixed appointments and purchase order per item, which allowed us to reduce supplier’s receiving time by more than 70%. In addition, we progressed **on our Truck Load Optimization program, reducing more than 20,000 trips for our suppliers;** having a positive impact on their carbon footprint and transportation cost.

## LAST MILE MODEL

An efficient and modern last mile operation is instrumental in offering the service levels our customers expect.

For On Demand, we are serving customers out of our more than 760 enabled stores and **we expanded the crowdsourcing model to more than 170 stores.**

For extended assortment, we launched new operating models like Delivery Stations and Exchange Points that have helped us to reduce customer delivery promise time by almost 40%, with a cost that is over 10% lower.



## FLEET

As for our fleet, **we have incorporated electric vehicles** and are developing omnichannel transport models. Thus, we leverage our fleet that already visits our +2,700 stores every week to enhance merchandise flows for pick-up stores and even home delivery at a lower cost and faster delivery times.



## FULFILLMENT SERVICES

As one of the largest logistics players in the country, we have the means to be involved in our delivery process and the storage of other companies' goods. We promote logistics as an added value to increase our competitive advantage by offering and monetizing additional services.

**We invested a significant amount of money in launching Walmart Fulfillment Services (WFS), a service where select sellers can leverage our world-class supply chain capabilities to fulfill orders quickly and efficiently.**

WFS is designed to help sellers generate more profitable sales of their inventory at scale. We have worked with them to design a simple and expedited process with competitive pricing. As for customers, they'll enjoy a larger assortment and shorter shipping times.

Walmart Fulfillment Services is currently operating from our Mexico City distribution center. About 20% of Marketplace orders are currently delivered through our network. Although it is still in its early stages, sellers respond positively, and the results are quite promising.



Our supply chain is one of the main enablers of our long-term strategy offering a huge competitive advantage. We will continue to aggressively invest in it as our omnichannel business grows.

**About 20% of Marketplace** orders are currently delivered through Walmart Fulfillment Services



# BEST TALENT

This has been a year full of challenges and changes that has challenged our associates; however, they have adapted and innovated to continue offering the best service to our customers when they need it most.

Implementing our business strategy has required a team with a growth mindset and new skills. Our associates have also faced the challenge of adapting to our customers' changing needs.



NTTALENTTAL  
TALENTTALLEN  
LENTTALLEN



Our associates have known how to respond with their unique talent, demonstrating high levels of professional commitment proving that challenges make us stronger



We provide training and education to ensure that our associates are prepared for these new challenges. We continue to offer a value proposition that provides benefits and a diverse and inclusive workplace where they can be themselves, which translates into happier and more engaged associates boosting productivity and our NPS.

Despite the challenging environment this year, we improved our associate satisfaction and engagement rates.

 We can say with full assurance that our team is an example of dedication and tenacity that plays a fundamental role in delivering great results



Please go to our chapter on **OPPORTUNITIES** to learn more about this year's talent development initiatives.



STRATEGIC PRIORITIES



ENABLERS



FINANCIAL VALUE

- Message of CFO
- Performance
- Key Figures
- Value Creation
- Investments
- Income Statement and Balance Sheet

**736 billion**  
pesos consolidated revenue

**11.0%**  
EBITDA margin



TRANSFORMING

# INVESTMENT

INTO

# RESULTS



# MESSAGE



## MESSAGE OF THE CFO WALMART DE MÉXICO Y CENTROAMÉRICA

2021 has been a challenging year, marked by resilience and innovation. We made strategic decisions focused on our customers, which allowed us to earn their trust and grow above the market. We are becoming the leading omni-driven ecosystem, and our financial strength serves as a competitive advantage.



WATCH VIDEO



# PERFORMANCE

GRI 201: 103-1, 103-2, 103-3

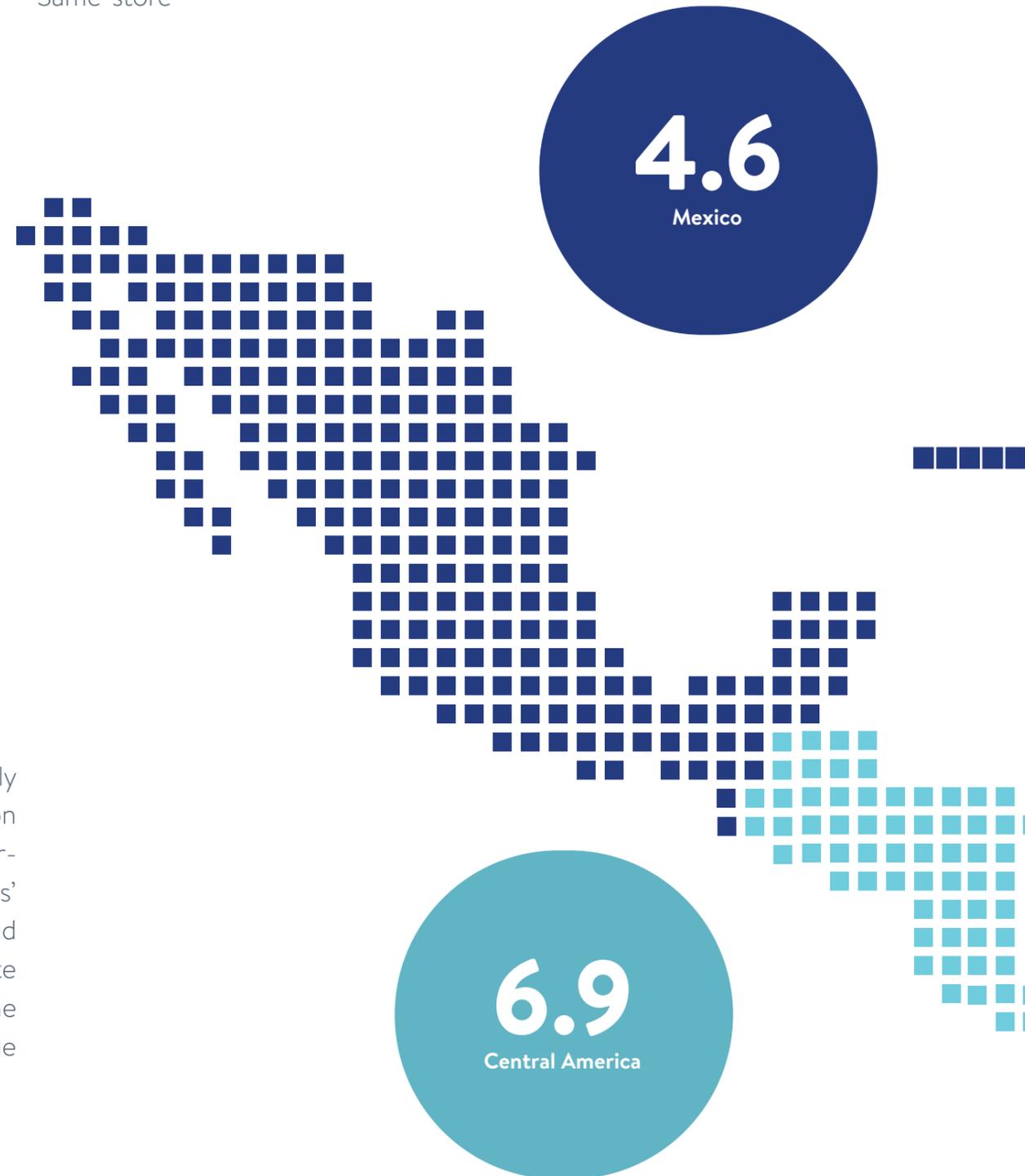


Our results evolve as we implement our strategy. We are a growth Company, and we will continue to accelerate our growth by investing in our strategic plans

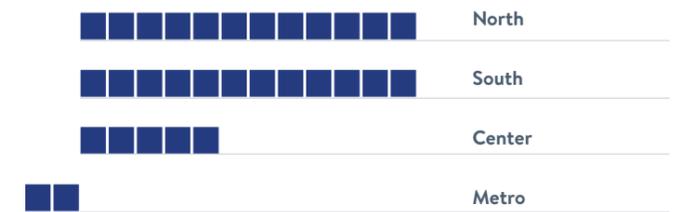
Our financial results were solid in light of an extremely challenging year, characterized by high global inflation levels and the complexities involved in an ever-changing environment. Thanks to our customers' preferences and trust, sales growth accelerated from quarter to quarter throughout the year. Despite uncertainty, we remain committed to investing in the region to accelerate growth and create shared value for all our stakeholders.

## Results by country, format and division

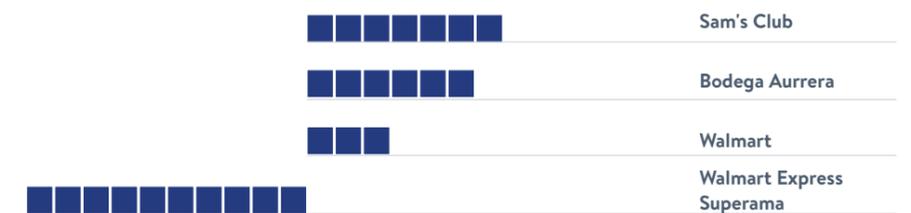
Same-store



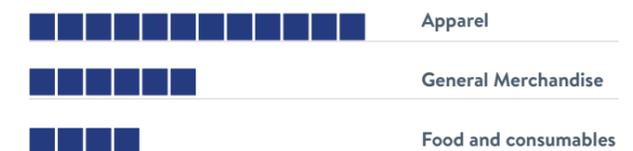
### Geographic area



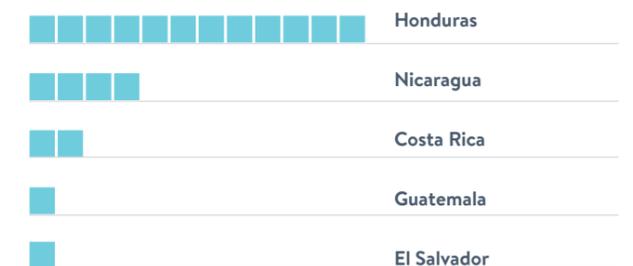
### Format



### Division



### Countries





In 2021, same-store sales performance was solid. The North, South and Center regions led the growth. On the other hand, all merchandise divisions grew, primarily Apparel, which reversed its trend compared to the previous year, followed by General Merchandise and Food and Consumables.

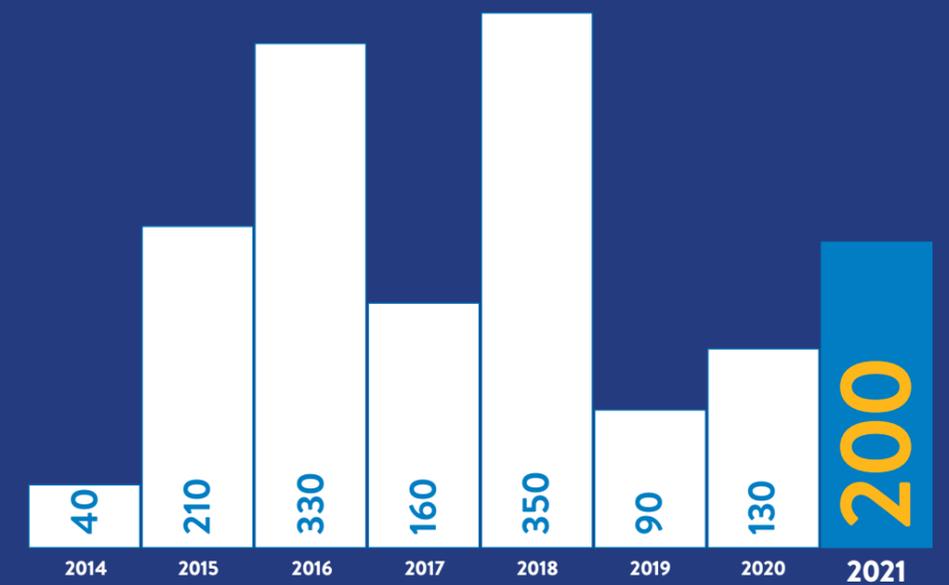
We expanded the same-store sales gap vs. ANTAD by 200 bps. We are moving fast and innovating to transform the shopping experience, and customers are rewarding us with their preference.



We are very proud of the results. We grew above the self-service and clubs market for the eighth consecutive year, as measured by ANTAD, the Mexican retail association.

**Growth gap in same-store sales**  
**Walmex<sup>1</sup> vs ANTAD self-service and clubs**

Basis points



1 Mexico: Self-service and Sam's Club





Our format results have been consistent from one period to another. This year, growth was led by Sam’s Club, followed by Bodega and Supercenter. It is important to note that in 2021, we made significant progress converting our Superama format to Walmart Express, striving to satisfy our customers’ need for a quick and convenient shopping experience with reduced prices for basic items. The transition period was challenging, shopping experience is not ideal when remodel works are undergoing, and this translated into softer sales.

Total revenue in 2021 grew 6.0% compared to 2020, for a total of 609.2 billion pesos, proving our consistent results.

After the strong growth reported in our eCommerce sales last year, it was not easy to settle a comparison that would allow us to determine our customers’ behavior in 2021. However, we are proud to share the results obtained thanks to the great work done by the team that implemented and executed our long-term strategy in a challenging environment.

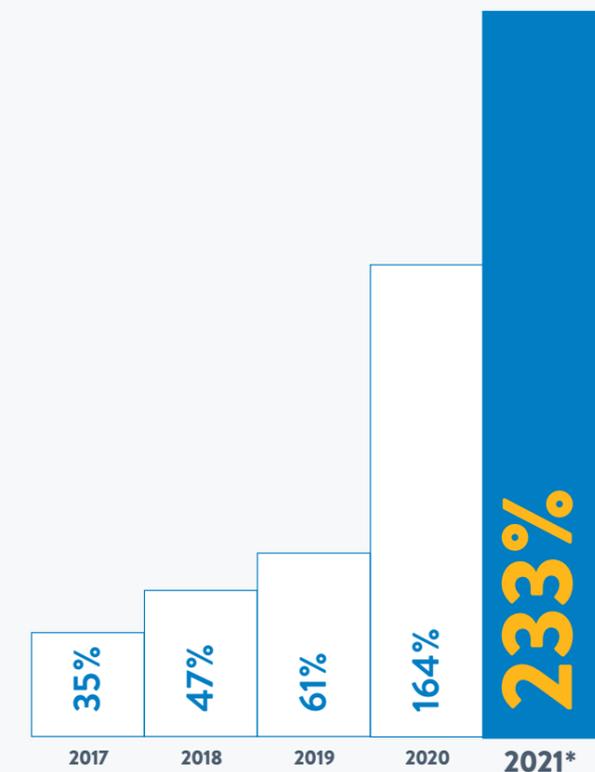
**eCommerce sales grew 36% during the year, and GMV (Gross Merchandise Value) 40%. A two-year stacked growth of more than 200%.** eCommerce represented 4.9% of Mexico sales, and contributed 1.4% to our total sales growth in 2021.

We are tailoring the omnichannel experience to meet the needs of the different customers we serve and is pleasing to see they are appreciating it. According to Euromonitor data for 2021, we increased our eCommerce market share by 190 basis points; this result shows that customers appreciate our efforts.

**609.2 billion** pesos, a 6.0% growth of total revenue



GMV Growth



\*Two-year stacked growth



We continue to invest to position our Company for the future and to create new revenue streams. Gross margin grew 40 basis points, representing 23.2% of total revenue this year. SG&A grew 6.8% compared to the previous year, mainly due to strategic investments in remodeling, new stores, reinforcing our omnichannel strategy, talent, and technology.

**Annual results were positive as operating income grew 10.9%, representing 9.1% of total revenue. EBITDA grew 9.6%, keeping it in double digits, representing 11.4% of revenue.**



**11.4% EBITDA margin**  
in Mexico





**Total revenue reached 126.8 billion pesos, 8.1% growth compared to the previous year.** Sales performance in same-stores by country grew consistently; Honduras and Nicaragua reported stronger growth, followed by Costa Rica, Guatemala and El Salvador. These are solid results, considering the macroeconomic environment in the region.

Gross margin fell 10 basis points, representing 24.1% of revenue this year. The reduction was mainly due to investments in prices related to the execution of the Biformato strategy in Groceries, Consumption, Fresh, and Pharmacy for the Bodega and Discount formats.

This year, we leveraged 20 basis points in SG&A, compared to 2020 because of the business simplification approach that has generated savings and operational efficiencies.

Operating income represented 5.8% of total revenue, 7.5% growth compared to the previous year.



As a result of our operating and financial discipline, EBITDA represented **9.1%** of total revenue, a **5.4% growth compared to 2020**



Note: growth sales percentages in Central America are on a constant currency basis.

# CENTRAL AMERICA



Consolidated revenue for this year totaled 736 billion pesos, a 4.9% growth and 6.3% on a constant currency basis, compared to 2020, reporting above-average market growth in both regions. We invested in prices in Mexico and Central America, and our 23.3% gross margin increased 20 basis points compared to the previous year.

SG&A increased 4.9% compared to 2020, mainly driven by strategic investments.

Operating income represented 8.5% of total revenue, with an expansion of 30 basis points and 9.5% growth compared to the previous year. EBITDA reached 81.2 billion pesos, 11.0% of total revenue, representing an expansion of 30 basis points compared to 2020.

Our financial strength provides us the flexibility to balance short-term results with long-term plans. We will continue improving our cash position through the financial discipline that characterizes us, generating solid returns.



Our cash-flow generation is solid, consistently growing year after year

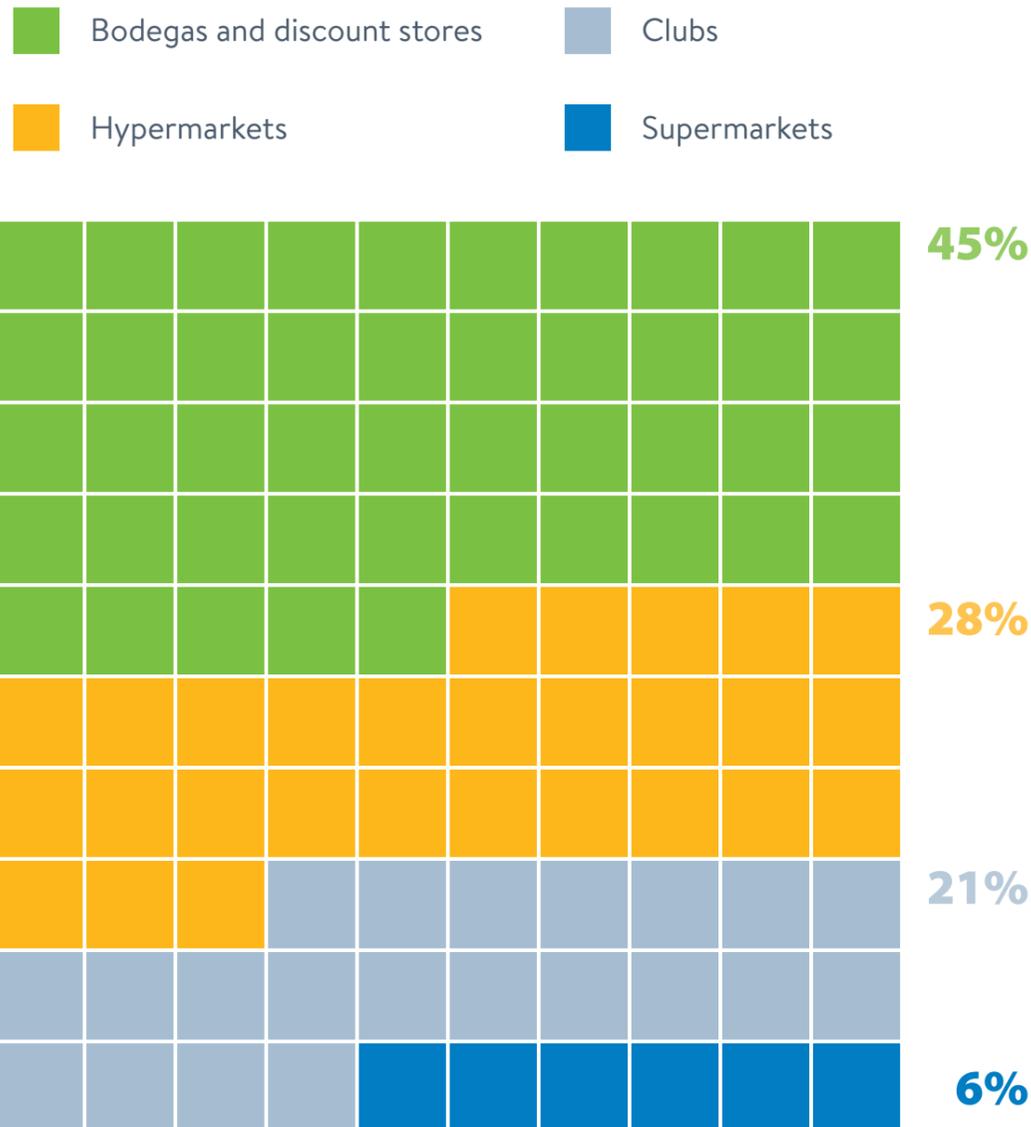


**736 billion** pesos of total revenue +4.9% growth





# SALES SHARE BY BUSINESS FORMAT



Our multi-format strategy allows us to meet different shopping occasions in different socio-economic segments

### Bodegas and discount stores

Stores focused on customers looking for the best price and value in their purchases. Through our Every Day Low Price value proposition we offer perishables, groceries, consumables, general merchandise and household items at the best prices in the market. Now also online with a wide assortment of general merchandise on our website and On Demand with same day delivery.

### Hypermarkets

Stores focused on offering a broad catalog of perishables, groceries, consumables, general merchandise and apparel through our Every Day Low Price value proposition. We offer an extended assortment from our website, where we also have a marketplace so our customers can find everything they are looking for in one place. We have enabled stores with omnichannel capabilities to offer On Demand with same-day delivery.

### Clubs

Club de Precios con membresía, donde ofrecemos los mejores productos nuevos y diferenciados en volumen a precios irresistibles. En Sam's Club atendemos socios de negocio e individuales que buscan la mejor experiencia de compra ya sea en tienda o en línea, ofrecemos *On Demand* desde todos nuestros clubes con entrega a domicilio o *pickup*.

### Supermarkets

We offer excellent quality products in departments such as perishables, groceries, consumables and selected general merchandise products, focused on providing the best shopping experience to our customers at low prices. With On Demand service with same day delivery, offering greater convenience.



# KEY PERFORMANCE INDICATORS


[DOWNLOAD INDICATORS 2021](#)

## Transactions

Millions

<b>2,016</b>
1,973
2,287
2,229
2,146

## Total Revenue

MXN Billions

<b>736.0</b>
701.7
646.8
616.9
573.4

## Operating income

MXN Billions

<b>62.9</b>
57.4
54.0
51.6*
43.8

## EBITDA

MXN Billions

<b>81.2</b>
75.4
71.0
67.1*
55.5

2021  
2020  
2019  
2018  
2017

## Investment in fixed assets

MXN Billions

<b>20.5</b>
16.7
20.6
17.9
17.4

## Cash generation

MXN Billions

<b>72.8</b>
64.8
63.7
60.5
54.4

## Dividend paid

MXN Billions / MXN per share

<b>28.2</b>	Dividend per share
30.9	\$1.63
36.0	\$1.79
25.6	\$2.08
42.8	\$1.48
	\$2.48

## Number of associates

<b>231,259</b>
231,271
238,972
234,431
237,055

## Total units

<b>3,620</b>
3,489
3,407
3,249
3,134

2021  
2020  
2019  
2018  
2017

\* In order to provide the investors community a better view of the underlying performance of our business, we are including a retroactive estimation of the effect the adoption of the IFRS 16 would have had on 2018 financial results. These pro-forma 2018 figures are not audited, but are based on the 2018 audited reported results and adjusted with our best estimates to show the effects related to the adoption of the IFRS 16.



# VALUE CREATION

For the last eight years we have reached record highs on our share value

Thanks to the soundness and consistency of our financial results, the strength of our operation, our associates' talent, and our pursuit for innovation, every year for the last eight years we have reached record highs on our share value. In 2021, despite the challenging environment, we reached a historical price per share of 78.78 pesos.

Walmart de México y Centroamérica continues evolving to meet the needs of our customers and to continue delivering solid returns. In retribution for the confidence of our shareholders, this year we paid 28.2 billion pesos in dividends. This amount includes the payment

decreed in 2021 of 1.63 pesos per share, comprised of an ordinary cash dividend of 0.90 pesos per share and an extraordinary cash dividend of 0.73 pesos per share. The ordinary dividend was paid in two installments of 0.45 pesos per share, the first on November 24 and the second on December 28, 2021. The extraordinary dividend was also paid in two installments, the first of 0.36 pesos per share on November 24 and the second of 0.37 pesos per share on December 28, 2021.



# INVESTMENTS

GRI 203-1

**We continue to invest strategically to position our Company for the future with growth initiatives based on disciplined capital allocation, considering the uncertainty and changing conditions that prevailed this year.**

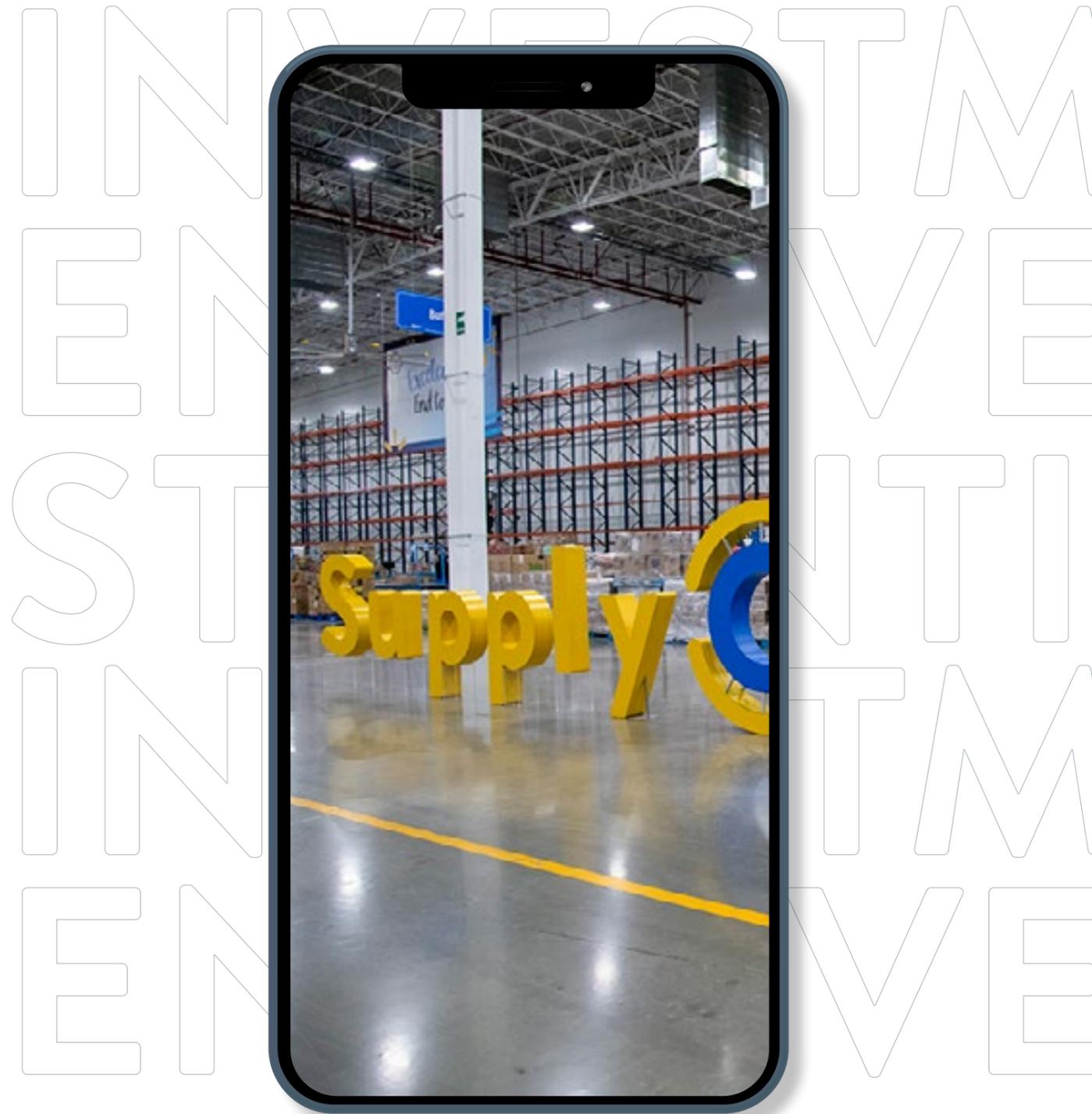
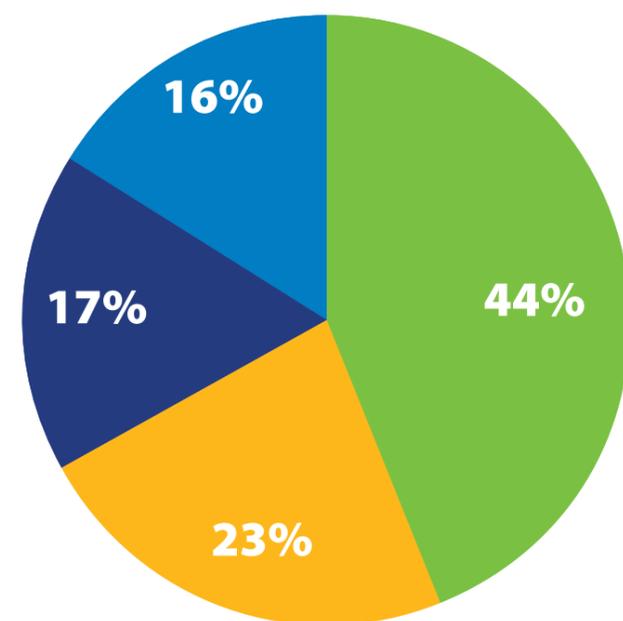
During the year, we invested 20.5 billion pesos in strategic projects with high returns to strengthen our business, a 22% growth compared to 2020.

Remodels represented 44% of our investment. We are enabling our stores with omnichannel capabilities and keeping them in good condition to improve the shopping experience and ensure the safety of our associates and customers. This year, we continued expanding our presence by opening 131 new stores, representing 23% of the investment. We closed the year with a total of 3,620 stores with a sales floor of more than 7.3 million square meters.

**20.5 billion** pesos invested in strategic projects

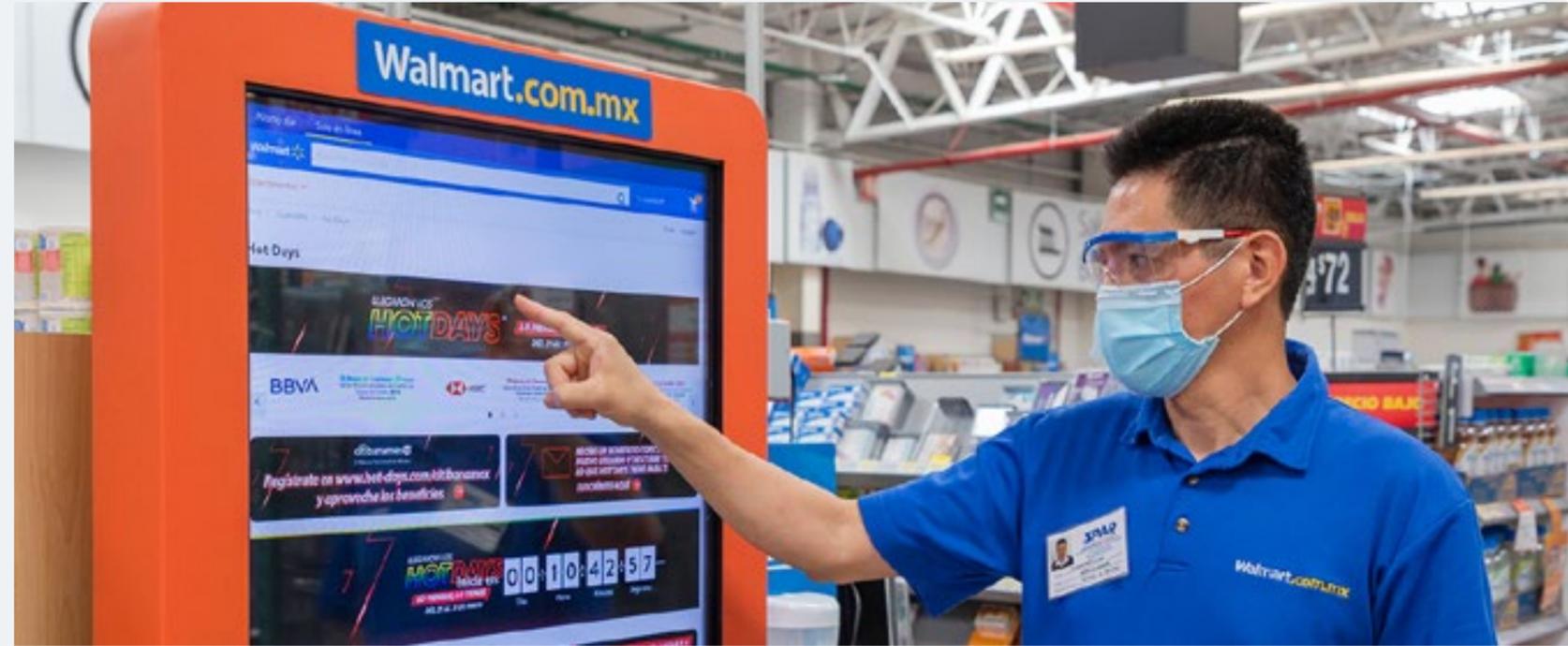
We have a robust logistics network that we continue to reinforce. We opened a new distribution center in Mexicali in 2021. The new Santo Niño DC began operations in December when we also began building a new omnichannel distribution center in Tlaxcala, which is expected to initiate operations in 2024. Investments in logistics represented 17% of our total investments this year.

- Remodels
- New stores
- Logistics
- Technology & eCommerce





Investments in technology and eCommerce represented 16% of the investment. The execution of key projects was accelerated, such as the deployment of antennas to improve the performance of our wireless network, equipment and components were replaced to support new functionalities, our back office underwent transformation, and we added a new data platform to reinforce our omnichannel operation.



We are very proud of the achievements obtained in 2021, which are the result of the efforts made by our associates, customer preference, and our solid finances. We are aware of our Company's enormous potential for growth and we are excited to continue progressing with firm results.



# INCOME STATEMENT AND BALANCE SHEET

At December 31, 2021 (MXN Billions)



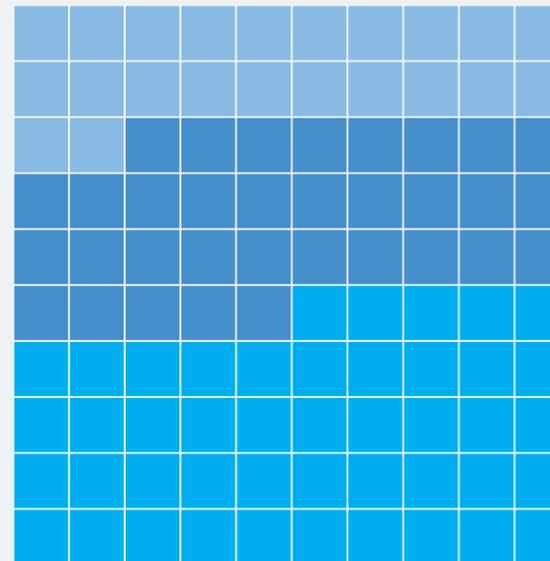
## Consolidated Results Walmex

	2021		2020		Var.
	\$	%	\$	%	
Total revenues	<b>736.0</b>	<b>100.0</b>	701.7	100	4.9
Gross profit	<b>171.8</b>	<b>23.3</b>	162.0	23.1	6.0
SG&A	<b>110.2</b>	<b>15.0</b>	105.0	15.0	4.9
Other income, net	<b>1.2</b>	<b>0.2</b>	0.4	0.1	1.8x
Operating income	<b>62.9</b>	<b>8.5</b>	57.4	8.2	9.5
EBITDA	<b>81.2</b>	<b>11.0</b>	75.4	10.7	7.7
Net income	<b>44.1</b>	<b>6.0</b>	33.4	4.8	32.0

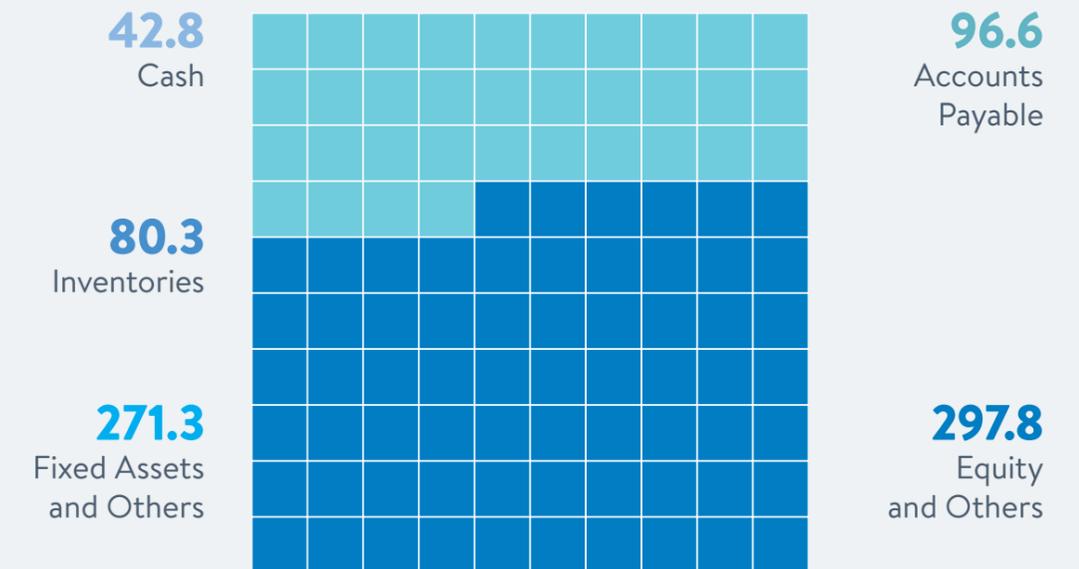
x = Times

## Balance Sheet

### Assets



### Liabilities and Equity



**Total 394.4**



# FINANCIAL SUMMARY (MILLION PESOS)

GRI 102-45, 102-48

	2021	2020	2019	2018 <sup>(11)</sup>	2018	2017 <sup>(10)</sup>	2017	*N I I F									**N I F
								2016 <sup>(8)</sup>	2015 <sup>(7)</sup>	2015 <sup>(6)</sup>	2014 <sup>(4)</sup>	2013 <sup>(4)</sup>	2013 <sup>(1)</sup>	2012 <sup>(1)</sup>	2012	2011	2011
Mexico GDP (Growth,%)	5.0	(8.5)	(0.1)	2.0	2.0	2.1	2.1	2.3	2.5	2.5	2.1	1.1	1.1	3.9	3.9	3.9	3.9
Mexico Annual Inflation (%)	7.4	3.2	2.8	4.8	4.8	6.8	6.8	3.4	2.1	2.1	4.1	4.0	4.0	3.6	3.6	3.8	3.8
Peso Depreciation	2.9	5.6	(4.0)	(0.4)	(0.4)	(4.5)	(4.5)	19.2	17.7	17.7	12.8	1.4	1.4	(7.9)	(7.9)	12.9	12.9
Average Exchange Rate	20.3	21.5	19.3	19.3	19.3	18.9	18.9	18.7	15.9	15.9	13.3	12.8	12.8	13.1	13.1	12.5	12.5
Year-end Exchange Rate	20.5	19.9	18.9	19.7	19.7	19.7	19.7	20.7	17.4	17.4	14.7	13.0	13.0	12.9	12.9	14.0	14.0
Mexico Average Interest Rate (28 Day Cetes,%)	4.4	5.3	7.8	7.6	7.6	6.7	6.7	4.2	3.0	3.0	3.0	3.8	3.8	4.2	4.2	4.2	4.2
<b>RESULTS</b>																	
NET SALES	730,352	696,711	641,825	612,186	612,186	569,015	569,367	528,571	472,460	485,864	437,659	420,577	420,577	407,843	413,792	375,280	379,021
% of growth total units	4.8	8.6	4.8	7.6	7.6	NA	8	12	11	11	4	3	3	NA	10	12	13
% of growth comp units	3.6	7.0	3.3	5.7	5.7	6	6	10	9	9	1	(1)	(1)	4	4	4	4
OTHER INCOME	5,692	5,023	5,021	4,724	4,724	4,356	3,898	3,813	3,451	3,503	3,329	3,246	4,584	4,217	4,259	3,570	1,885
% of growth	13.3	0.0	6.3	8.4	8.4	NA	2	11	NA	5	3	NA	9	NA	19	NA	40
TOTAL REVENUES	736,044	701,734	646,846	616,910	616,910	573,371	573,265	532,384	475,911	489,367	440,988	423,823	425,161	412,060	418,051	378,850	380,906
% of growth	4.9	8.5	4.9	7.6	7.6	NA	8	12	NA	11	4	NA	3	NA	10	NA	13
GROSS PROFIT	171,840	162,040	148,051	141,647	141,586	131,072	127,695	117,484	102,603	107,380	97,619	92,948	93,624	90,228	94,597	85,109	83,698
% of profit margin	23.3	23.1	22.9	23.0	23.0	22.9	22.3	22.1	21.6	21.9	22.1	21.9	22.0	21.9	22.6	22.5	22.0
GENERAL EXPENSES	110,181	105,042	94,427	90,276	92,597	86,921	83,684	77,834	69,548	72,235	64,010	61,318	62,102	58,541	61,926	55,574	53,619
% of total revenues	15.0	15.0	14.6	14.6	15.0	15.2	14.6	14.6	14.6	14.8	14.5	14.5	14.6	14.2	14.8	14.7	14.1
OPERATING INCOME	62,908	57,447	54,003	51,572	49,190	43,838	43,838	39,455	32,828	34,969	34,716	31,636	31,532	31,422	32,399	29,591	30,079
% of total revenues	8.5	8.2	8.3	8.4	8.0	7.6	7.6	7.4	6.9	7.1	7.9	7.5	7.4	7.6	7.7	7.8	7.9
% of growth	9.5	6.4	9.8	NA	12	11	11	20	NA	1	10	NA	0	NA	9	NA	11
EBITDA	81,214	75,387	71,005	67,148	61,747	55,482	55,482	50,149	42,592	44,993	42,854	40,305	40,222	39,860	41,166	37,188	37,415
% of total revenues	11.0	10.7	11.0	10.9	10.0	9.7	9.7	9.4	8.9	9.2	9.7	9.5	9.5	9.7	9.8	9.8	9.8
FINANCIAL INCOME (EXPENSES), NET	5,612	7,983	(4,801)	(4,242)	(330)	(548)	(548)	(323)	89	55	(154)	(16)	(15)	401	399	189	191
INCOME BEFORE INCOME TAX	57,296	49,464	49,202	47,330	48,860	43,290	43,290	39,132	32,917	35,024	34,562	31,620	31,517	31,823	32,798	29,780	30,198
INCOME TAX	13,158	16,029	11,304	11,724	12,107	10,900	10,900	10,623	9,473	10,087	9,521	9,632	9,517	9,237	9,529	7,695	7,939
DISCONTINUED OPERATIONS	-	-	-	-	-	7,475	7,475	4,842	2,935	1,442	5,394	725	713	683	-	-	-
CONSOLIDATED NET INCOME ATTRIBUTABLE TO THE PARENT	44,138	33,435	37,898	35,606	36,753	39,865	39,865	33,352	26,376	26,376	30,426	22,717	22,717	23,275	23,275	22,080	22,254
of growth	32.0	(11.8)	3.1	NA	(7.8)	19.5	19.5	26.5	(13.3)	(13.3)	33.9	(2.4)	(2.4)	5.4	5.4	NA	13.8
<b>FINANCIAL POSITION</b>																	
CASH	42,817	35,670	30,857	38,830	38,830	35,596	35,596	27,976	24,791	24,791	28,048	21,129	21,129	28,163	28,163	25,166	25,166
INVENTORIES	80,317	68,360	67,553	63,344	63,344	59,463	59,463	53,665	49,749	49,749	47,175	43,795	43,795	39,092	39,092	39,336	40,163
OTHER ASSETS	35,269	31,401	27,179	25,891	25,144	22,742	22,742	30,881	15,831	15,831	19,475	19,510	19,510	12,909	12,909	13,579	13,249
FIXED ASSETS	200,219	191,455	188,439	177,891	144,222	140,082	140,082	136,349	130,222	130,222	125,996	121,083	121,083	117,377	117,377	111,372	116,680
GOODWILL	35,767	34,997	35,145	34,989	34,989	37,373	37,373	39,421	33,057	33,057	28,020	24,745	24,745	24,745	24,745	29,768	29,768
TOTAL ASSETS	394,389	361,883	349,173	340,945	306,529	295,256	295,256	288,292	253,650	253,650	248,714	230,262	230,262	222,286	222,286	219,221	225,026
SUPPLIERS	96,638	92,356	87,116	85,327	85,327	80,099	80,099	65,919	56,396	56,396	52,710	47,609	47,609	44,770	44,770	50,854	50,854
OTHER LIABILITIES	111,869	100,408	93,912	91,038	56,288	55,623	55,623	55,347	45,433	45,433	45,758	39,702	39,702	37,679	37,679	39,184	40,894
EQUITY	185,882	169,119	168,145	164,580	164,914	159,534	159,534	167,026	151,795	151,795	150,223	142,931	142,931	139,701	139,701	128,867	132,962
NON-CONTROLLING INTEREST	-	-	-	-	-	-	-	-	26	26	23	20	20	136	136	316	316
TOTAL LIABILITIES, EQUITY AND NON-CONTROLLING INTEREST	394,389	361,883	349,173	340,945	306,529	295,256	295,256	288,292	253,650	253,650	248,714	230,262	230,262	222,286	222,286	219,221	225,026



GRI 102-45, 102-48, 203-1

	*N I I F																**N I F
	2021	2020	2019	2018 <sup>(11)</sup>	2018	2017 <sup>(10)</sup>	2017	2016 <sup>(8)</sup>	2015 <sup>(7)</sup>	2015 <sup>(6)</sup>	2014 <sup>(4)</sup>	2013 <sup>(4)</sup>	2013 <sup>(1)</sup>	2012 <sup>(1)</sup>	2012	2011	2011
<b>NUMBER OF UNITS MEXICO</b>																	
Bodega Aurrera	2,198	2,088	2,035	1,910	1,910	1,820	1,820	1,763	1,719	1,719	1,660	1,589	1,589	1,423	1,423	1,204	1,204
Walmart Supercenter	294	287	280	274	274	270	270	262	256	256	251	243	243	227	227	213	213
Sam's Club	165	164	163	163	163	162	162	160	160	160	159	156	156	142	142	124	124
Superama	14	89	93	91	91	94	94	96	95	95	93	92	92	90	90	88	88
Walmart Express	85	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Suburbia	-	-	-	-	-	-	-	-	117	117	116	109	109	100	100	94	94
MedimartPharmacies	-	-	-	-	-	10	10	10	10	10	10	10	10	6	-	-	-
Vips Restaurants	-	-	-	-	-	-	-	-	-	-	-	-	-	365	365	364	364
<b>TOTAL</b>	<b>2,756</b>	<b>2,634</b>	<b>2,571</b>	<b>2,438</b>	<b>2,438</b>	<b>2,356</b>	<b>2,356</b>	<b>2,291</b>	<b>2,357</b>	<b>2,357</b>	<b>2,289</b>	<b>2,199</b>	<b>2,199</b>	<b>2,353</b>	<b>2,347</b>	<b>2,087</b>	<b>2,087</b>
<b>NUMBER OF UNITS CENTRAL AMERICA</b>																	
Discount Stores	572	563	549	540	540	522	522	495	484	484	477	466	466	459	459	453	453
Supermarkets	98	100	99	97	97	94	94	92	99	99	96	100	100	97	97	96	96
Bodegas	158	157	155	143	143	133	133	117	102	102	94	75	75	67	67	54	54
Walmarts	36	35	33	31	31	29	29	27	24	24	22	20	20	17	17	17	17
Clubs	-	-	-	-	-	-	-	-	-	-	1	1	1	2	2	2	2
<b>TOTAL</b>	<b>864</b>	<b>855</b>	<b>836</b>	<b>811</b>	<b>811</b>	<b>778</b>	<b>778</b>	<b>731</b>	<b>709</b>	<b>709</b>	<b>690</b>	<b>662</b>	<b>662</b>	<b>642</b>	<b>642</b>	<b>622</b>	<b>622</b>
Banco Walmart																	
Bank branches												201	201	263	263	263	263
<b>OTHER INFORMATION AT THE END OF THE YEAR</b>																	
Number of Associates	231,259	231,271	238,972	234,431	234,431	237,055	237,055	228,854 <sup>(9)</sup>	231,996	231,996	228,063 <sup>(5)</sup>	224,901 <sup>(5)</sup>	226,289 <sup>(3)</sup>	248,246	248,246	238,128	238,128
Share Price (2) (pesos)	76.09	55.98	54.15	49.97	49.97	48.19	48.19	37.05	43.49	43.49	31.72	34.26	34.26	42.33	42.33	38.23	38.23
Number of Outstanding Shares (2) (millions)	17,461	17,461	17,461	17,461	17,461	17,461	17,461	17,461	17,461	17,461	17,507	17,627	17,627	17,722	17,722	17,747	17,747
Market Value	1,328,607	977,467	945,513	872,526	872,526	841,446	841,446	646,930	759,379	759,379	555,322	603,901	603,901	750,172	750,172	678,471	678,471
Earnings per Share (2) (pesos)	2.528	1.915	2.170	2.105	2.105	2.283	2.283	1.910	1.508	1.508	1.732	1.284	1.284	1.312	1.312	1.240	1.250
Payment of Dividends	28,189	30,934	35,957	25,582	25,582	42,756	42,756	28,972	31,562	31,562	21,643	16,056	16,056	9,612	9,612	9,659	9,659
Number of Shares Repurchased (2) (millions)	-	-	-	-	-	-	-	-	47	47	123	96	96	27	27	103	103
Investment in Shares Repurchased	-	-	-	-	-	-	-	-	1,825	1,825	3,996	3,328	3,328	1,088	1,088	3,455	3,455

1 Vips is presented under Discontinued Operations.

2 Adjusted according to split conducted in April 2010

3 Vips' associates not included

4 Banco Walmart's &amp; Vips' results are presented under Discontinued Operations.

5 Banco Walmart's associates not included.

6 Results from Banco Walmart and its sales presented under Discontinued Operations.

7 Suburbia's and Banco Walmart' sales and results are presented under Discontinued Operations.

8 Suburbia's results are presented under Discontinued Operations. Financial position displays reclassifications in presentation, in order to be comparable to 2017

9 Suburbia's associates not included.

10 Information with adjustments, derived from the Income Standard that applies as of 2018.

11 Information with adjustments, derived from the Leases that applies as of 2019.

\* IFRS = Financial information under International Financial Reporting Standards.

\*\* MFRS = Financial information under Mexican Financial Reporting Standards.

NA = Non Applicable.

<b>ACQUISITIONS OF PROPERTY AND EQUIPMENT</b>	<b>20,466</b>	<b>16,728</b>	<b>20,575</b>	<b>17,933</b>	<b>17,933</b>	<b>17,426</b>	<b>17,426</b>	<b>14,335</b>	<b>12,526</b>	<b>12,526</b>	<b>12,691</b>	<b>13,987</b>	<b>13,987</b>	<b>14,660</b>	<b>14,660</b>	<b>18,352</b>	<b>18,352</b>
-----------------------------------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------



## OPPORTUNITY

- Our Talent
- Developing Our Talent
- Work-Life Balance
- Diversity, Equality and Inclusion
- Responsible and Inclusive Value Chain
- Diverse and Inclusive Supply Chain

**54%**  
of our associates are **women**

**86,260**  
suppliers

GRI 102-8



MORE THAN

# STRENGTHS OPPORTUNITIES

THEY  
ARE



# OPPORTUNITY

Our goal is to increase inclusive opportunities so our associates may build a better life for themselves and for their families. Likewise, we strive to create economic opportunities for our suppliers, their employees, communities, and for those working in the supply chains.



OPPORTUNITY  
UNITY OPPORT  
OPPORTUNITY  
UNITY OPPORT



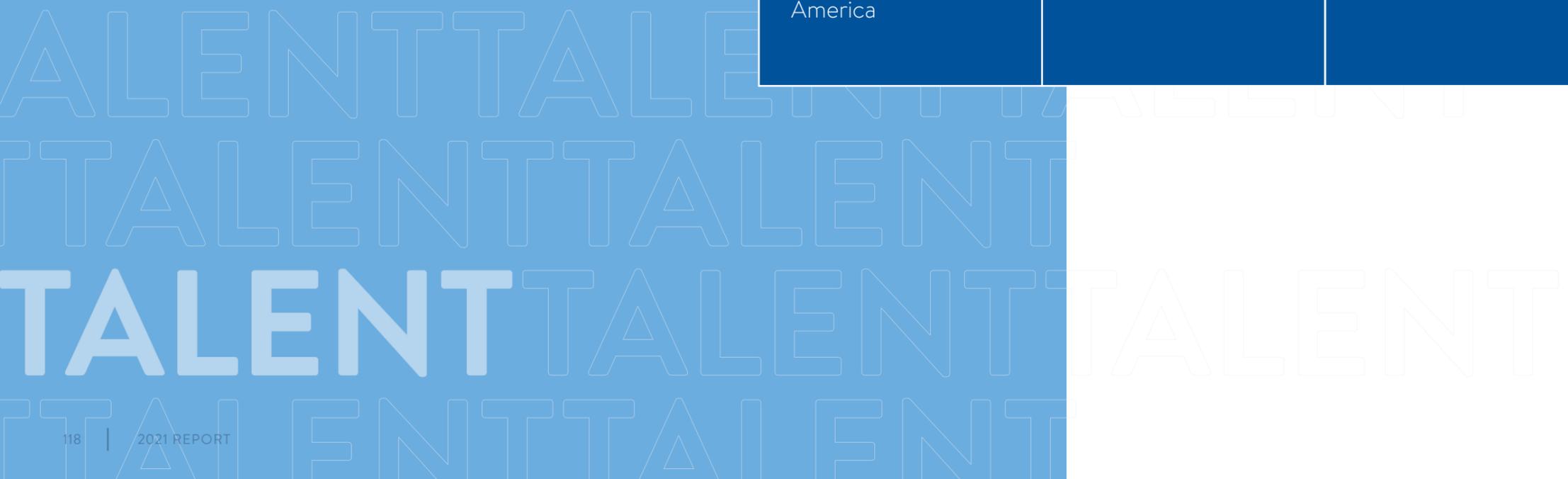
# OUR TALENT

GRI 102-8, 203-2, 401: 103-1, 103-2, 103-3

We work to provide our associates a healthy, diverse, and inclusive workplace. Through our Value Proposition for Associates -**PRODI**- we established our commitment to supply five benefits of working in our company.



#Purpose	#Reto (Challenge)	#Opportunities	#Disfrute (Enjoy)	#Inclusion
This is the place where we have a Purpose, where we care for the quality of life of all families in Mexico and Central America	Where every day we have a Challenge and reinvent ourselves	Where we find great Opportunities, having more than a job we have a dream	This is the place where we Enjoy what we do every day	This is the place where Inclusion and Diversity are part of our culture, letting you be yourself 100%





Stemming from the global pandemic, in 2021 our associates have received support action for their well-being in three main areas: physical, emotional and financial



### PHYSICAL WELL-BEING

- Appointment of a **Medical Director**
- Support for **+11,000 vulnerable associates**
- **Remote work** for staff associates
- **Medical assistance free** of charge for associates and their family
- Adjustments made to **insurance coverage** for COVID-19 cases
- **Post COVID-19 assistance** through mobile app (APAC)
- Influenza **vaccination campaign**
- Continuous **medical checkups**
- **23,500** PCR tests and **1,400** antigen tests applied



### EMOTIONAL WELL-BEING

- Raising awareness of the **Integral Attention Program (PAI)** including psychological, nutritional, legal, and financial matters
- Campaigns and webinars on **emotional and psychological** matters
- **We Are Well** campaign that strives to create a healthy culture on remote work



### FINANCIAL WELL-BEING

- A permanent **10% discount** in our stores for all associates
- Change in **payroll to weekly payments**
- Appreciation **bonuses** throughout the year
- Finance **webinars**
- **Special permissions** for absenteeism due to COVID-19
- **Advanced payments** from the savings fund
- **Support to families** for deceased associates





# OUR TALENT BY GENDER

## MEXICO AND CENTRAL AMERICA

GRI 102-7, 405-1  
SASB CG-EC-330A.3, CG-MR-330A.1

- Women
- Men

# 231,259

associates

# 6,234

jobs generated

# 54%

# 46%



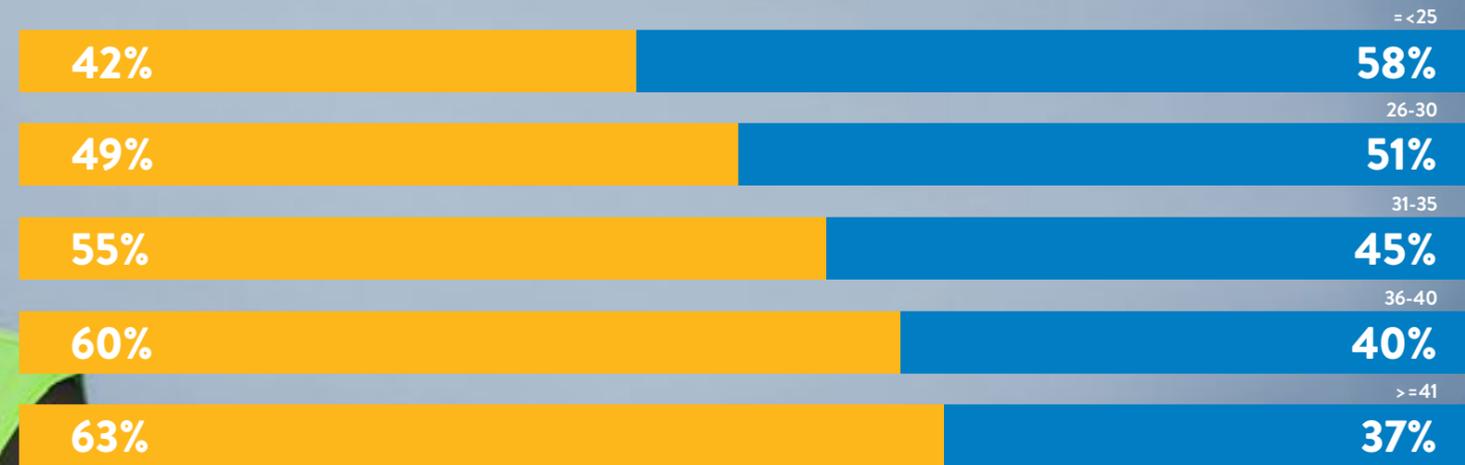


GRI 102-8  
SASB CG-EC-330A.3, CG-MR-330A.1

### MEXICO AND CENTRAL AMERICA

Women  
Men

#### Total associates by age range



#### Operations and staff associates



11,609  
staff associates

219,650  
operations associates





**Associates by level**

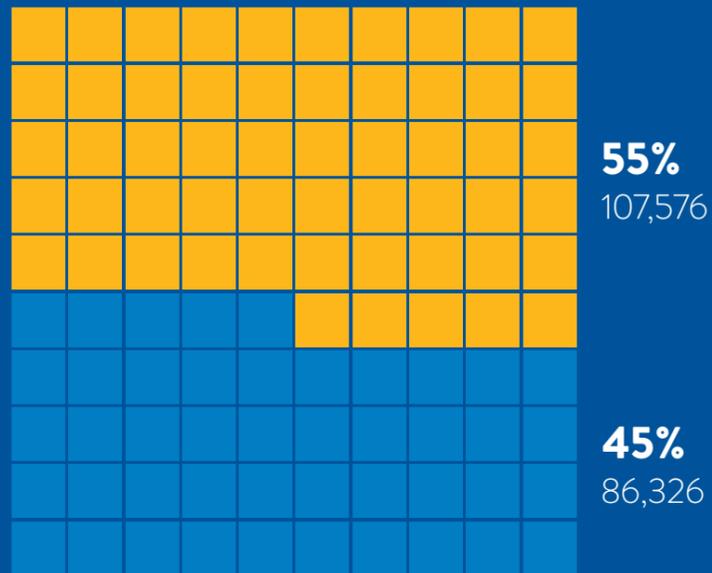
	Mexico	Central America	Total
Total associates who are VPs	38	3	41
Total associates who are Directors	122	33	155
Total associates who are Asst. Directors	442	62	504
Total associates who are Managers	2,820	377	3,197
Total associates who are Asst. Managers	10,391	631	11,022
Total associates who are Department Managers	23,951	2,254	26,205
Total associates who are Hourlies	156,138	33,997	190,135
Total associates	193,902	37,357	231,259



GRI 102-8  
SASB CG-EC-330A.3.

- Women
- Men

**193,902**  
total associates



Associates by age



Operations and staff associates



**9,303**  
staff associates

**184,599**  
operations associates



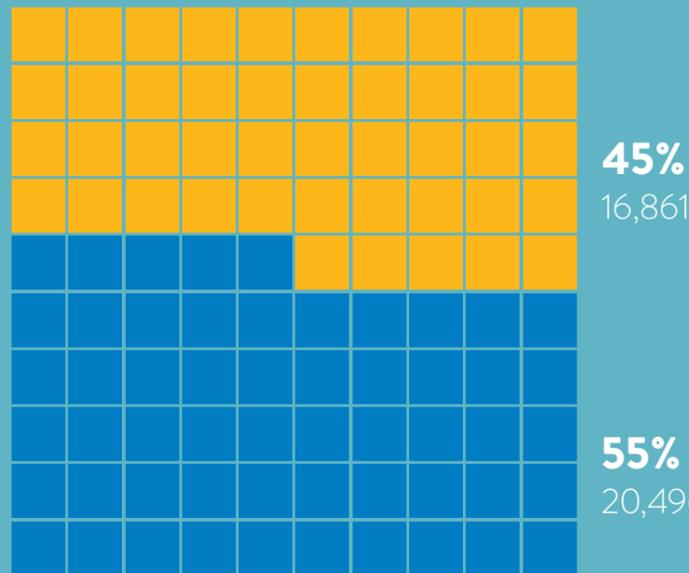




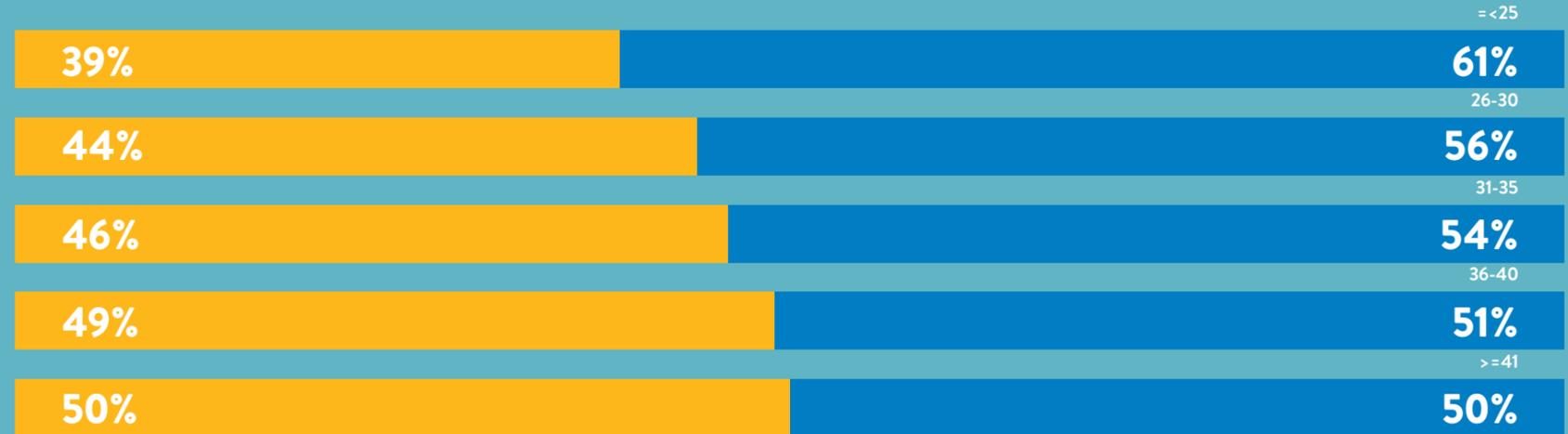
GRI 102-8  
SASB CG-EC-330A.3.

- Women
- Men

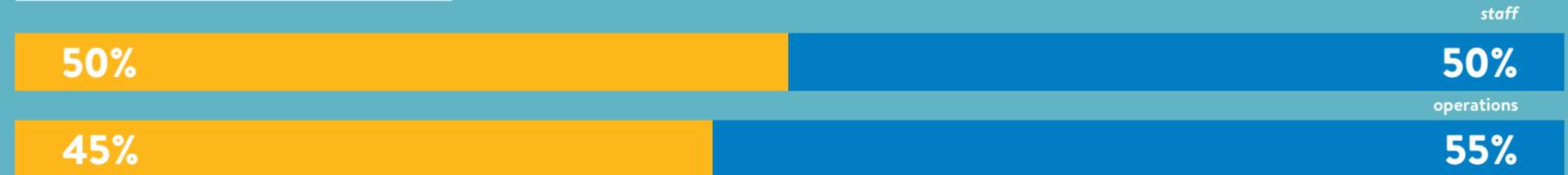
**37,357**  
total associates



Associates by age



Operations and staff associates



**2,306**  
staff associates

**35,051**  
operations associates



CENTRAL AMERICA CENTRAL AMERICA



GRI 102-8, 401-1  
SASB CG-EC-330A.3, CG-MR-330A.1

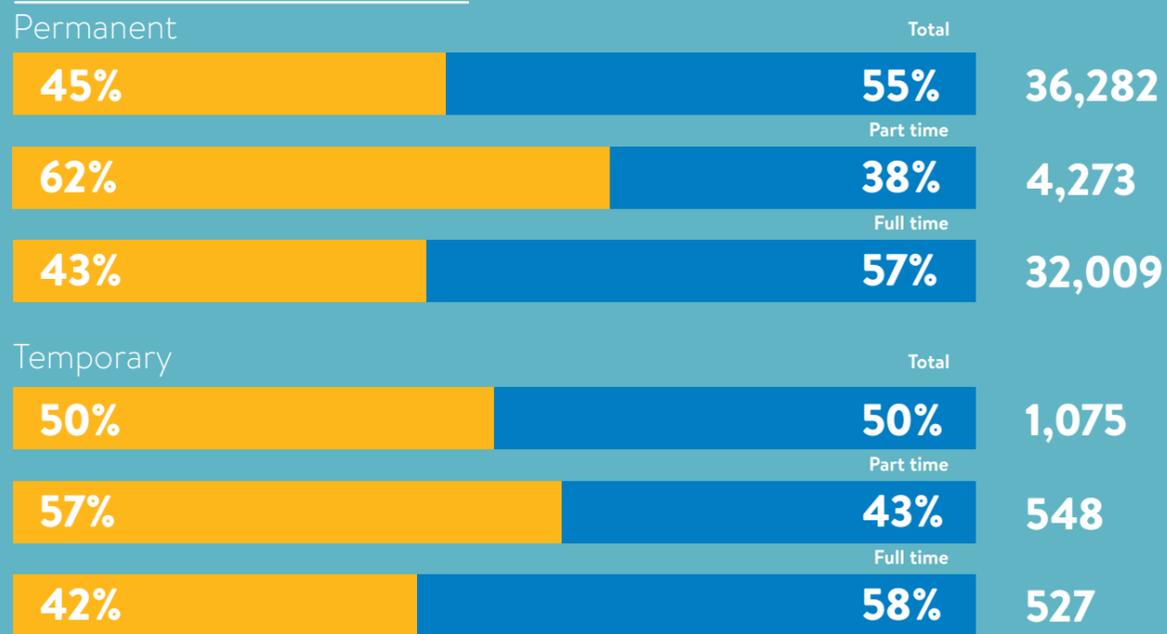
Women  
Men



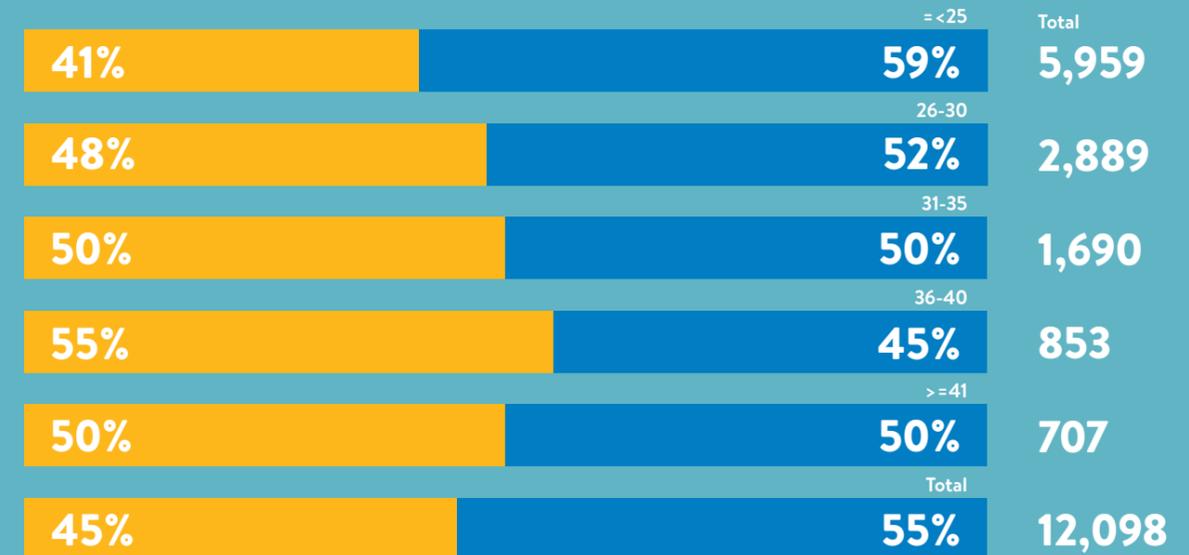
Associates by level



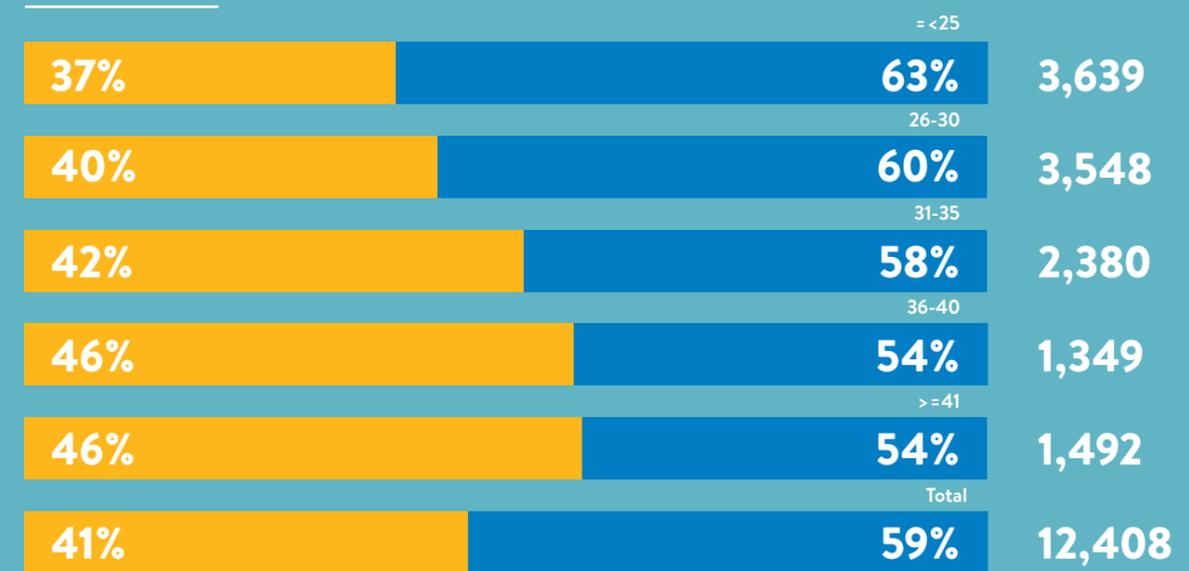
Associates by type of contract



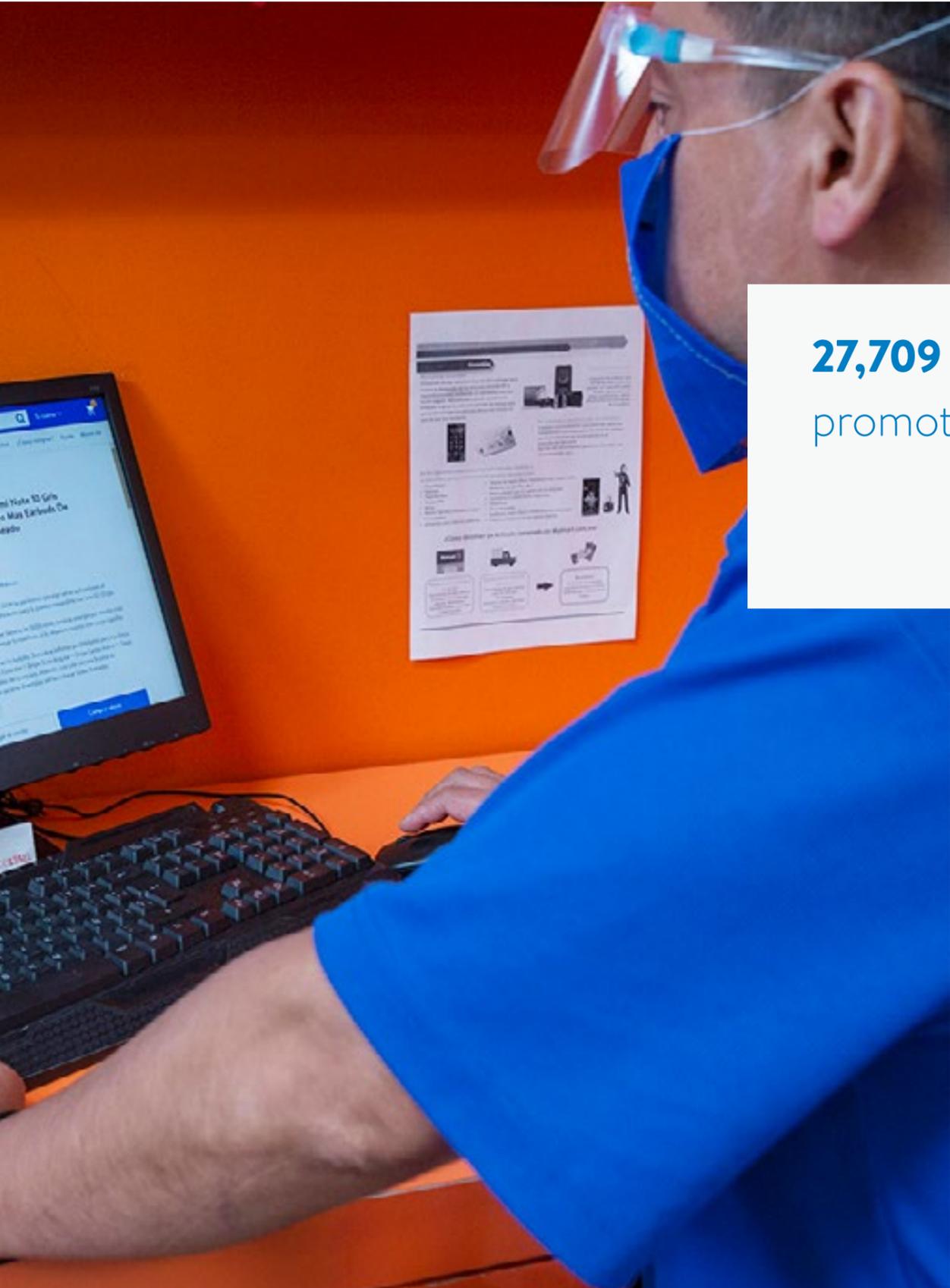
New associates



Terminations







## ASSOCIATE TRAINING

**27,709**  
promotions

**43** million pesos  
invested in  
training

**7.2** million  
hours of training

**23** average  
training hours  
per associate

GRI 404-1

### Training hours per level

	Mexico		Central America	
	Man hours	Hours per associate	Man hours	Hours per associate
VP	252	6.8	8	2.8
Directors	1,233	9.3	148	5.7
Asst. Directors (Squad Leads)	5,421	11.9	621	10.5
Managers	62,980	21.2	5,148	13.3
Asst. Managers	425,322	38.5	8,548	13.4
Dept. Managers	625,879	26.4	34,157	14.6
Frontline associates	5,761,981	24.3	350,457	9.4



## DIGITAL PLATFORMS FOR TRAINING



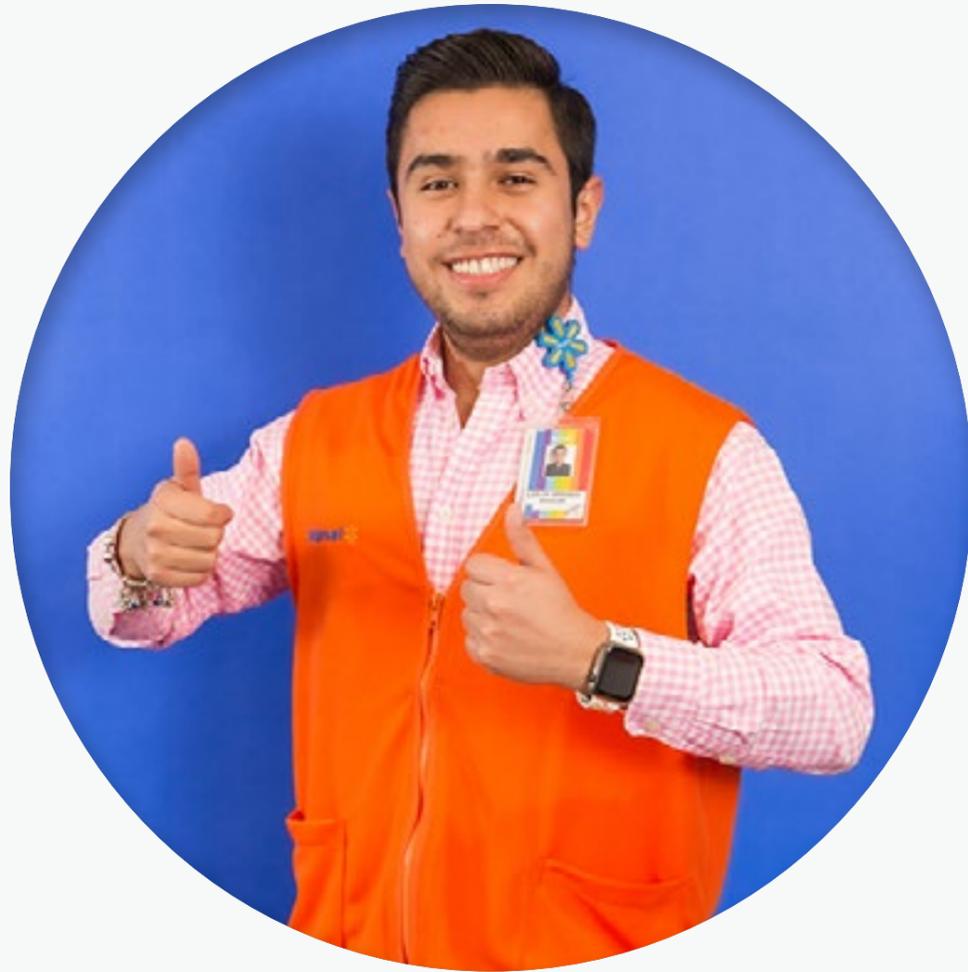
### ULEARN

A platform launched to improve the experience of our associates, incorporating instructional and didactic training material. Over **200 courses, 3 certifications**, and more than **150 programs** were uploaded to the platform

### LINKEDIN LEARNING:

The use of LinkedIn Learning has been continuously reinforced, thereby achieving **training for 3,279 associates**





### DEVELOPMENT PROGRAMS



#### Self-service Managerial Certification

The purpose is to develop soft and technical competencies in Managers and improve indicators in their units through digital training that focuses on Centers of Excellence 2.0



#### CER Program for Fresh at Sam's Club (Consistency, Excellence, Results)

A program created to develop associate decision-making skills to produce a positive impact in all business indicators, such as sales and shrink



#### DAR360 Operations Program (Discover and Learn Retail)

A training and integration program for new associates that provides the tools they need to perform their duties, accompanied by a trainer or fellow associate to clarify any doubts



#### CER Omnichannel at Sam's

A program created to develop associate skills for handling business strategy-related challenges with greater agility, thereby having a positive effect on the four pillars of transformation



#### CER Fresh for Asst. Managers and Department Managers

This program focuses on end-to-end process management, enhancing data-driven decisions and sales, margin, and shrink indicators



#### Onboarding for Executives

A program for new executives, aimed at providing training and guidance to round out their technical and people skills, and successfully perform their role as leaders





**Omnichannel Category**

Training for Category Strategy associates, to instill a new omnichannel mindset that focuses on transformation and the primary processes to be impacted



**Behavioral Sciences**

This enables the application of tools and processes based on behavioral economics, to conduct research, design and/or implementation of interventions and behavioral change projects



**Private Brands**

Training designed for Category Tribes on the roles, interactions, and principal processes that improve the positioning of the new model for Private Brands



**Platzi**

A training program for Technology Department associates aimed at developing technical skills in specialized content technology, and in new digital trends within eCommerce profiles



**Python Data Scientist**

The aim is to develop statistics techniques and machine learning with R programming, to analyze and interpret complex data, specializing the DASC department in the creation of statistical models and network analysis through Python



**ITIL (Information Technology Infrastructure Library)**

Training designed for the IT department to improve IT management and services aligned with the area and for suppliers in business strategy



**BIM Methodology (Building Information Modeling) and Revit Modeling Workshop**

Training in the use of tools and practical cases in construction projects through the use of the BIM methodology, and basic modeling of buildings through the use of specialized Revit Architecture tools



**DAR Maintenance**

Onboarding training that provides the necessary tools for Conservation Leaders whose main activities take place in stores, so they make successfully perform their duties as per all safety standards



**Preparation for PLD Certification**

Specialized training for Compliance Officers, internal and independent auditors, in preparation of the mandatory certification process with the National Banking and Securities Commission of Mexico





**Advanced Negotiations Workshop**

This program helps participants recognize their attitudes and behavior during negotiations and enables them to assess their skills during conflict situations and where there are multiple interests at stake

**Onboarding**

Training designed for newly hired associates in Administration and Finance, through an education program with special and didactic materials that employs friendly and colloquial language elements

**Grand Openings Training**

To contribute to the Company's Expansion plans, this programs trains associates and leaders in the technical and strategic elements of their duties, and in the importance of their roles

**Learning Center (Trainees)**

A seedbank and multiformat program whose purpose is to provide associates with the knowledge and skills needed to correctly perform their duties, focusing on operational excellence and leadership based on decision making and data analysis skills





 **Support Leader / Evolution Leader**

A program designed to reinforce managerial competencies for store managers

 **My Updating at the Register**

Training for front-end associates to provide updating in processes required in this area and which have a direct impact on customer service

 **LESCO**

Training for associates in Costa Rica's units, to certify them in the use of sign language for improved communication with persons having auditory disabilities

 **Remittances**

Training for associates in remittance payment services in business units

 **Modular Efficiency**

Training that provides information to associates on the correct implementation of modulators in the stores

 **Butcher Model**

A program designed to provide associates detailed training in butcher products so they may offer customers personalized and differentiated service



**Mindset Consultant for HR**

A program aimed at developing a culture of internal service and accompaniment as an HR consultant, for the entire company



**Getting Things Done**

The purpose of this program is to increase associate performance by offering the right focus, clarity, and confidence



**BIM (Building Information Modeling)**

A program that teaches our associates the Autodesk software tools that optimize workflow management in construction projects through BIM process efficiency





In addition to our development programs and tools, we promote experiences that enrich the career of our high-potential associates. Consequently, in 2021, the following practical activities were conducted for Managers and Directors in Mexico and Central America:

**JUDGMENT**

**35** participants

Skill developed: **analysis, decision making**

Duration: **3 weeks**



**EXPEDITION**

**100** participants

Skill developed: **planning and improvement, decision making**

Duration: **2 days**

**COMMANDER**

**100** participants

Skill developed: **influence and communication**

Duration: **2 days**

**CHAIN REACTION**

**40** participants

Skill developed: **adaptability and innovation**

Duration: **3 weeks**

**LANDING**

**25** participants

Skill developed: **influence and communication**

Duration: **4 weeks**



## ASSOCIATE PERFORMANCE EVALUATIONS

GRI 404-3 SASB CG-EC-330A.1

At Walmart de México y Centroamérica, a business strategy enabler is to have the best talent in the market. Therefore, in 2021 the performance evaluation process continued evolving, focusing on the following points:



### 1. SIMPLIFIED EVALUATION:

The evaluation criteria for our talent was changed from five to three performance classifications:

- Exemplary
- Successful
- With Opportunities

Our focus continued on the “what”, in terms of objectives met, and the “how” regarding competencies exhibited. During the yearly evaluation process, continued reinforcement was given to our philosophy of meritocracy through total compensation programs aligned with individual and company performance, thus allowing us to discover the contributions made by our associates.



### 2. HOLDING POWERFUL CONVERSATIONS:

This year we evolved from formally established conversations to moments of powerful conversation throughout different periods of the year, that is, as often as the leader and the associate required and decided it was necessary.

We are convinced these conversations are important drivers of closeness and trust among the teams, of providing and receiving ongoing feedback, and of recognizing efforts made, placing our associates at the heart of all our decisions.



### 3. EVOLVING OUR BEHAVIORS:

We have transitioned to a global model of four behaviors that reflect the evolution of our Walmart DNA. These include:



In addition to the new performance evaluation, there are different tools that allow us to measure the performance and existence of skills and strengths of our associates when we have to make decisions and contribute to their growth:

- **Individual Development Plan (IDP):** This provides clarity to the associates on what needs improving and the way to accomplish it.
- **Calibration:** This process informs associates on how they are perceived within the Company and so they can know if they possess the elements needed to be considered talent, which implies demonstrating outstanding performance and having the necessary potential to fill positions where tasks are increasingly difficult and complex.



Our new performance evaluation model values these four behaviors to measure how we live by and apply our new day-to-day way of working

**48,375**

associates  
evaluated  
in 2021

**26,753**

women  
evaluated

**21,622**

men  
evaluated



SASB CG-EC-330A.1

## DIALOG WITH ASSOCIATES

The Associate Value Proposition is a fundamental part of our culture and what makes us unique and different. To evaluate the experience, it is important to listen to our associates who, in expressing their opinions, helps us make Walmart de México y Centroamérica the best place to work.

Feedback Month is held each year during two key events: the Engagement Survey, and the Feedback Survey for Your Leader. Both questionnaires are very important because they provide the opinions of over 200,000 associates throughout Mexico and Central America.

The results lead to actions to continue promoting a culture of leadership and open communication, which enhances the work experience for all of us who are part of this company.

The surveys are administered by a third party in charge of concentrating the individual responses, which are handled with confidentiality and whose results are reported at a group level.



### In 2021 we achieved:

**89%** participation in Mexico

**57%** women

**43%** men

**79%** participation in Central America

**45%** women

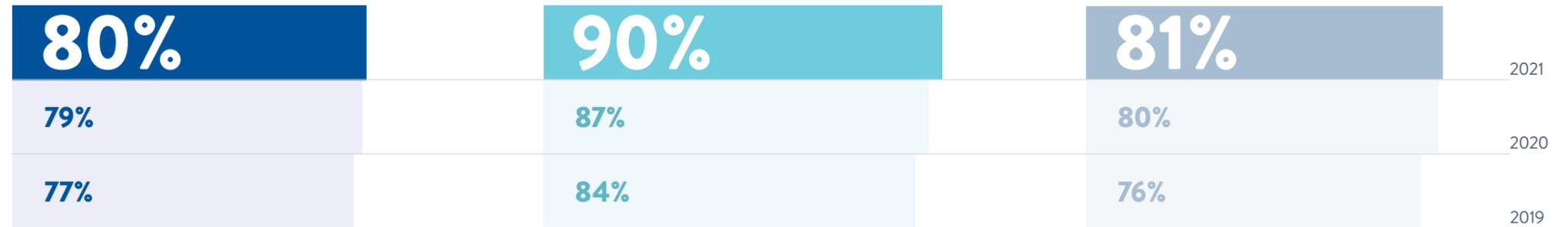
**55%** men



The Engagement Index increased to **81%** vs **80%** in 2020

Engagement Index

■ Mexico ■ Central America ■ Consolidated





## FREEDOM OF ASSOCIATION

GRI 102-41, 407: 103-1, 103-2, 103-3, 407-1  
SASB FB-FR-310A.2

The labor rights of our associates are permanently guaranteed so they may freely belong to the labor union of their choice

### Our Policy on Freedom of Association also honors the following commitments:

Ensure that our associates may exercise their freedom of association or non-association with others

Permanently recognize the freedom of association and collective bargaining of our associates

Respect the rights of our associates regarding: legal and peaceful association, organization and collective bargaining without sanctions, threats, dismissals, or interference

Under our collective bargaining system for hiring, 67% of our associates are represented by a union or covered under collective bargaining agreements, that is, 100% of associates eligible for this, as per the law.



## WORK SCHEDULE

GRI 409: 103-1, 103-2, 103-3, 409-1, 412: 103-1, 103-2, 103-3, 412-1, 412-2, 412-3



Work schedules are established so they may contribute to quality of life within the Company, as well as a positive work environment

Therefore, in our Policy on Work Schedules we have the following commitments, among others:

Respect for breaks and work schedules of our associates

Ensure payment of overtime for our associates

Guarantee the right of our associates to vacation and free time





# WORK-LIFE BALANCE

GRI 201-3, 403: 103-1, 103-2, 103-3, 403-3, 403-6



The new way of working implemented due to the pandemic has presented many challenges. Innovation is pursued through new initiatives that help to build a healthy, collaborative and flexible work environment.



## Benefits for our associates:



### BREASTFEEDING ROOMS

**6**

at the corporate offices, for Staff personnel

**133**

throughout our units for operations associates



### DOCTOR'S OFFICES

**5**

at the corporate offices

**23**

throughout our DCs

**300**

doctor's offices at pharmacies in operation in our units



### APPLYING

**37,273**

COVID-19 tests

**20,499**

flu vaccinations for our operations associates

**732**

Staff associates vaccinated against influenza



Platform for agreements and benefits with app and website access, available to all associates nationwide, offering from 10% to 70% discounts in different categories: automotive, beauty, wellness, meals and beverages, e-entertainment and technology, education and training, household goods, fashion, travel, among others; we currently have 360 brands offering over 536 promotions

A team of nutritionists who offer guidance in nutrition plans and care for associates at the corporate offices:

**3,453**

appointments given

**686**

patients assisted



# BENEFITS FOR OUR ASSOCIATES

GRI 201-3, 401-2, 401-3



- ● Granted in accordance with the law
- ● The law does not require, but the company grants it
- ○ Granted above the requirements of the law
- x x N/A

\* For management only  
 \*\* From divisional manager and up

	MEXICO		CENTRAL AMERICA	
	Permanent	Temporary	Permanent	Temporary
Executive vacations	○	x	●	x
Non-Executive vacations	●	●	●	●
Days o (holidays)	○	○	●	●
Personal days	●	●	○	●
Special permission	●	●	x	○
Meal subsidy	x	x	●	●
Food coupons	●	x	x	x
Shopping discounts	●	●	●	●
Company car for executives**	●	●	●	x
Medical check-up for executives	●	x	●	x
Life insurance	●	x	●	x
Social security expense	●	●	●	x
Major medical expense insurance	●	x	●	x
Sick leave grant	●	x	●	●
Seniority recognition	●	●	●	●
Maternity leave	○	○	○	●
Paternity leave	○	○	●	●
Christmas bonus	○	○	○	○
Vacation premium	●	●	x	x
Sunday bonus (if applicable)	●	●	x	x
Seniority bonus	●	●	x	x
Prot sharing	●	●	○	○
Nursing period	○	○	○	○
Productivity bonus	●	●	●	●
Stock-option plan*	●	x	●	●



In addition to measures for physical, emotional, and financial well-being of our associates due to the global pandemic, this year we conducted activities that lead to improving their quality of life



### Webinars:

Several were produced in nutrition-related subjects such as:

- COVID-19, What should I eat?
- Polycystic ovary syndrome and nutrition
- Reading labels
- Lifetime of food products
- Vitamins and minerals

A total of **five webinars were offered with 19,252 attendees; 19 training sessions for Nutri-cafeterias with 108 posters, working closely with Private Brands and Medimart;** tips on nutritional health for Staff, operations and Central America associates; and five informative capsules aimed at fostering the adoption of healthy habits that benefit the health and wellness of our associates.

Moreover, our Nutrition team participated actively in training for suppliers and in reviewing menus for meals provided in our DCs.



## Integral Assistance Program (PAI, in Spanish):

A cost-free, optional and confidential hotline is made available to our associates and their family members to address any personal questions or concerns related to:

- In 2021, **7,497 calls were addressed** on different subjects such as emotional, financial, legal, daily life, and COVID-19
- At the close of 2021, through the medical **assistance hotline, 26,894** advice was provided to associates and/or family members
- In addition, we offered training throughout the year, covering emotional-related subjects through **48 webinars with 21,866 attendees; 8 training sessions for 529 units**, including the following:
  - **Stress management**
  - **The pressure of being a professional and having children**
  - **The importance of play in your life**
  - **Your well-being is our priority**
  - **Developing a resilient mind**
- Communication was developed on raising awareness and **sensitivity for emotional healthcare**, through different digital media

## ¿Conoces el PAI?

PAI (Programa de Asistencia Integral), pone a tu disposición y a la de tu familia una línea gratuita, opcional y confidencial para atender dudas o inquietudes personales relacionadas con temas como:



- The associates may use the service from any point throughout Mexico, 24/7, via telephone, email, and/or the online site



## WORK FLEXIBILITY

GRI 401-3

To provide greater value for our associates, we have programs that allow them to balance their work life with their family life.



### • Maternity and paternity leave

Periods of medical leave are offered to benefit associates found in this stage of their life:

- **Maternity:** 5 months
- **Paternity:** 2 weeks

### • Postnatal leave for mothers and fathers

Women are allowed to gradually return to their work life up through six months after giving birth. In the case men, they are offered a flexible work schedule of six hours for a month

### • Operations personnel

There is a fixed work schedule during the breastfeeding stage; special schedules for students; quality-of-life transfers; fixed shifts for single parents; quarterly rest periods; and one weekend a month off for unit managers and asst. managers

### • Flex week program for Staff associates

This entails freeing up afternoon hours on Fridays, adding those hours from Monday to Thursday so these associates may have a shorter workday on Fridays

### • Remote work

Associates may work from home one day a week, respecting and fulfilling their habitual work hours. Among the primary benefits observed are: increased productivity, maximized results-oriented mindset, and an enhanced work-life balance



Due to the prolonged pandemic, in 2021 we continued with permanent remote work for 100% of our Staff associates



We have implemented certain complementary measures in addition to maternity and paternity benefits, including the following:



In emergency cases (death of the mother during childbirth or hospitalization of the baby due to severe illness) the parents may take additional maternity leave instead of paternity leave



In cases of adoption or surrogacy, our associates may take a week off prior to the arrival of the baby



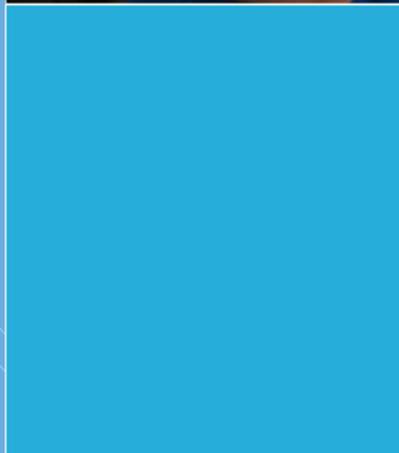
In cases of premature birth, the birthdate of the child is taken into account to guarantee the weeks granted by law



# DIVERSITY, EQUALITY AND INCLUSION



GRI 405: 103-1, 103-2, 103-3, 405-1, 406: 103-1, 103-2, 103-3, 406-1  
SASB CG-EC-330A.3, CG-MR-330A.1



Our purpose is to create a culture of safe work and workplace, where all our associates, customers, suppliers and community may feel included and treated with respect and equality; where there is no discrimination against anyone and people are free to be themselves.

The happiest associates, with equal employment opportunities, perform much better and provide better service to our customers and members.

**54%** of our labor force are women

**5,222** of our associates in Mexico have some type of disability and **1,570** associates in Central America

INCLUSION INCLUSION INCLUSION INCLUSION INCLUSION INCLUSION INCLUSION INCLUSION INCLUSION INCLUSION



## DIVERSITY, EQUALITY, AND INCLUSION POLICIES

There are several policies in our company that strictly forbid any discrimination or harassment based on an individual's status, including ethnic or national origin; skin color; sex; gender; age; disability; social, economic, health or legal status; religion; physical appearance; genetic features; migratory status; pregnancy; language; opinions; sexual orientation; gender identity; political leanings or membership; civil status; family situation; family responsibilities; criminal background; or for any other reason that may prevent or nullify the recognition or exercising of equal opportunity rights of individuals.



## DIVERSITY, EQUALITY, AND INCLUSION ADVISORY COUNCIL

We have created a Diversity, Equality, and Inclusion Advisory Council for Mexico and Central America, comprising teams of leaders from our businesses and operations. The purpose of the Council is to develop, implement, and oversee strategy initiatives in diversity and inclusion.

### Objectives of Members

Create a DE&I strategy aligned with the corporate strategy

Oversee initiatives for the building of inclusive spaces and processes

Propose and implement programs aimed at closing the gender gaps, talent with disabilities, for the LGBT+ community and to create inclusive spaces within and outside the organization

Ensure a culture of living by our values throughout the whole organization



## OUR STRATEGY FOR DIVERSITY, EQUALITY AND INCLUSION

We work continuously to create spaces where our associates may develop with their genuine personality and tap into their maximum potential in an inclusive atmosphere where all ideas come together.





## 1. GENDER EQUALITY



We work to offer men and women alike equal opportunities, conditions and treatment, recognizing their respective needs.

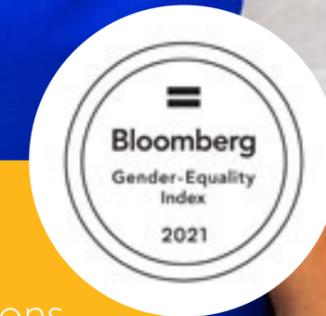
Our commitment focuses on continuously driving the presence of women in the Company, especially in leadership positions. We are convinced that diverse work teams produce better ideas, which in the end lead to better results.

As a result of our work to create diverse and inclusive workspaces, for the fifth consecutive year Walmart de México y Centroamérica was included in Bloomberg's Gender Equality Index (GEI) which analyzes global corporate performance in equality and gender. Some considerations for this index include flexible work atmospheres and a culture of inclusion.



**40%**  
of executive  
positions are held  
by women

**56%**  
of promotions  
were women





Our goal for 2022 is to fill 41% of executive positions with women

**Developing Female Talent**

Diverse programs in support of the professional development of our female associates have been established:

**Women in Retail**

This program, that is designed for our female associates, lasts 18 months and seeks to develop and retain the best talent through better prepared women who are committed and have a sense of belonging. There are four development pillars: experience, exposure, education, and mentoring, with the purpose of reinforcing skills and competencies that help them increase their leadership and networking.

- The fifth generation of this program is currently underway
- In 2021, 174 participants enrolled

**Unstoppable Women**

This program is for high-potential female managers, aimed at reinforcing their skills and competencies so they may undergo accelerated development within the organization.

- In 2021, 108 participants enrolled
- 21% were promoted to the next level

**Women executives and circles of confidence**

The program has the purpose of developing personal leadership and self-management, talent management, strategic thinking, transformation leadership, change management, persuasion, power and influence, among other subjects.

**Women's Month**

In commemoration of this month, education and communication activities aimed at equality took place.

- 8,000 participants in Mexico and Central America signed up for five webinars, focused on raising awareness and teaching gender equality issues, in addition to presenting success stories within the Company that serve as examples for the rest of our female associates





## 2. SEXUAL AND GENDER DIVERSITY

We have focused on creating a safe workplace for all associates of the LGBT+ community, thus our implementation of initiative to raise awareness make it visible that Walmart is a company that values diversity.

**This is a place where you can truly be yourself, 100%**

Walmart de México y Centroamérica has become an important place to raise awareness and reinforce our position through human rights; respecting all differences, including sexual identity and expression; promoting an atmosphere that assures our associates that this is the place where you can be your true self.



DIVERSITY DIVERSITY DIVERSITY DIVERSITY DIVERSITY  
**DIVERSITY** DIVERSITY DIVERSITY DIVERSITY DIVERSITY  
DIVERSITY DIVERSITY DIVERSITY DIVERSITY DIVERSITY



June marked the celebration of LGBT+ pride, with the participation of thousands of associates from Mexico and Central America who, through their commitment to diversity and inclusion, made it possible to achieve the following results:



**+6 mil**

associates connected to our sessions to delve deeper into the importance of this subject



**+1,200**

participants from the seven countries of Walmart de México y Centroamérica, and Chile, joined our virtual march, with 99% satisfaction



**+100**

associates shared their experiences on how they found a place to be themselves, grow, and belong at Walmart



WATCH VIDEO

These actions are examples of how we are an inclusive company, free of harassment and discrimination for everyone.

**Moreover, this year we did the following:**

- Conducted webinars and panel discussions on: “Walmart, a safe place for the LGBT+ community”, “Trans experiences”, “LGBT+ phobia”, “LGBT+ executives”, all in synergy with Coca Cola, AT&T and Nestlé



LGBTQ+ Best Place to Work Recognition



For the fifth consecutive year, we have been awarded “Best Place to Work” recognition from the Human Rights Campaign, for our culture of promoting #LGBTQ+ Inclusion and for building workspaces that are safe, and free of harassment and discrimination



### 3. INCLUSION OF PEOPLE WITH DISABILITIES

Our work continues on initiatives that allow us to offer work opportunities and professional development for people with disabilities.

**6,792**

associates with disabilities are part of our labor force

**51%**

+ vs 2020

**5,222** associates in Mexico

**43%** women **57%** men

**1,570** associates in Central America

**38%** women **62%** men



Our goal in 2021 was to have 2.5% of talent with disabilities, as part of our total headcount, achieving 117%. Our goal for 2022 is 3%







GRI 406: 103-1, 103-2, 103-3, 406-1

#### 4. NON-DISCRIMINATION

Every day we work to build spaces that are safe and free of harassment and discrimination. An education process on racism, its consequences, and how to avoid it was initiated. We do not tolerate sexual harassment or any repercussions against whomever reports it.

Our **Code of Conduct** prohibits any form of harassment or discrimination within the Company. Due to the importance of the subject, since 2019 we have ethics training exclusively designed to prevent sexual harassment by any Officer worldwide. The purpose is to train the top level leaders on the importance of the subject so they may detect, mitigate and prevent issues of this nature within their work teams.

The Global Policy on the Prevention of Harassment and Discrimination was published where any form of discrimination or harassment against any protected category and/or any forbidden principle is strictly forbidden, either by associates, candidates, customers, members, suppliers, or anyone working on behalf of Walmart.

##### Non-discrimination campaign

A campaign was launched together with physical and digital materials, including actions to raise awareness and training courses, all with the purpose of showing our associates that Walmart is a company that does not discriminate for any reason whatsoever

##### Plan for unconscious bias

Inclusion compels us to see, respect, and value the differences of everyone around us. Therefore, we are working on a series of capsules that help our collaborators to learn more of unconscious biases, with the purpose of being able to recognize and work with them, thus continuously promoting a culture of inclusion.

Today we have six capsules:

- Introduction to unconscious bias
- Affinity bias
- Confirmation bias
- Attribution bias
- Conformity bias
- Halo-horns effect bias

##### Training Path

We began the implementation of training modules in Ulearn, on diversity and inclusion, including:

- The ABCs of diversity: An introduction to the subject and key basic concepts for Walmart regarding this subject
- Inclusive leadership: in line with our new competencies model for leaders, this module contains information on how to be an inclusive leader in our company
- Unconscious bias: General information on What are Unconscious Biases? How to identify them? and, What we can do to eliminate them





## WAGE EQUALITY

GRI 202-1, 405-2, 102-35,102-36  
SASB FB-FR-310A.1, CG-MR-310A.1



We are committed to equality for all our associates without distinction or preference and based on achievements and performance

**Our Compensation Equality Policy establishes different commitments, including the following:**

A guarantee that there are no wage differences based on age, gender, religion, sexual preferences, or political ideology

Assurance that any pay differences are due to individual performance, and/or achievements for each associate

Comply with and exceed minimum wage established by the authorities

Our wage band allows us to maintain control; any existing differences stem from individual performance for each associate, who is evaluated annually according to seniority in the Company and in keeping with success factors described under the Policy on A Workplace Free of Violence, Harassment, and Discrimination.





# RESPONSIBLE AND INCLUSIVE VALUE CHAIN

GRI 102-9, 204: 103-1, 103-2, 103-3, 204-1  
SASB FB-FR-000.C, FB-FR-000.D

Walmart de México y Centroamérica recognizes the importance of our value chain as a core part of our business. Therefore, we are committed to improving working conditions and protecting human rights and the environment, working side-by-side with our more than **86,000 suppliers**.

We have adopted the approach of creating shared value and make efforts to help our suppliers prosper, identifying opportunities for them to grow with us by building a responsible and inclusive supply chain that is both a reflection of our values as well as the needs of our customers.



It is our responsibility to promote respect for human rights; thus, we strive to use our scale in such way that allows us to achieve a positive change and become an agent for change

VALUE VALUE VALUE  
VALUE VALUE VALUE  
VALUE VALUE VALUE



**51,327**  
suppliers  
in Mexico



**92%**  
of merchandise  
sold in Mexico are  
sourced in the  
country



**93%**  
of our self-service  
suppliers in Mexico  
are SMEs



**34,933**  
suppliers in  
Central America



**83%**  
of merchandise  
sold in Central  
America are  
sourced in the  
region

**86,260**  
Suppliers  
in the region

Work is being done with our suppliers in programs aimed at preventing forced labor, improving and protecting working conditions, and promoting the dignity of women.



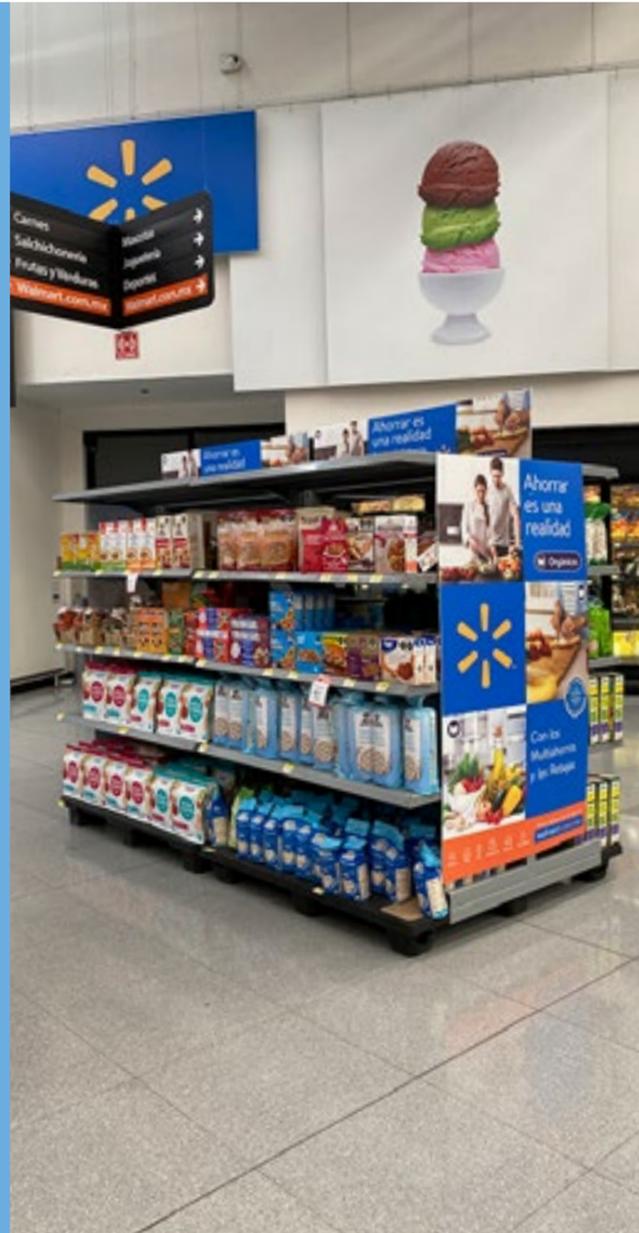


# DIVERSE AND INCLUSIVE SUPPLY CHAIN

GRI 102-9, 204-1

One way of fulfilling our purpose of saving people's money so they can live better is by accepting diversity in all aspects of our organization -from our talented associates to the suppliers who work with us to offer the products and services that our customers want and need.

In line with our purpose of creating a culture of safe work and atmosphere, where everyone feels included and treated with respect and equality, we have a supplier inclusion program. It offers efficient working conditions to those companies owned and operated by minorities, women, people with disabilities, and members of the LGBTQ+ community, as well as also making their own business grow alongside us.



**Our purchasing power has become a two-pronged development tool:**

-  To develop different suppliers
-  To support small farmers in vulnerable situations

As mentioned in our [Statement on Supplier Inclusion](#), signed by Doug McMillon, the CEO for Walmart, Inc., we believe that a diverse supply chain allows us to offer better quality and variety of products to the communities we serve.



 By working with Walmart, our suppliers gain access to 5 million customers who shop in our stores, clubs, and eCommerce sites every day

RESPONSABLE RESPONSABLE RESPONSABLE RESPONSABLE RESPONSABLE



## DIRECT PURCHASING FROM LOCAL SUPPLIERS

We use our scale in benefit of our suppliers, and one way to do this is by buying directly from local suppliers, without the use of intermediaries, which translates to greater income for them.

### Direct purchasing from local suppliers of Private Brands

Mexico Central America

Self-service suppliers which are national

77%

54%

Sales which stem from national suppliers

91%

70%





## DIRECT PURCHASING FROM LOCAL SUPPLIERS OF FRESH



### SEAFOOD

Mexico Central America

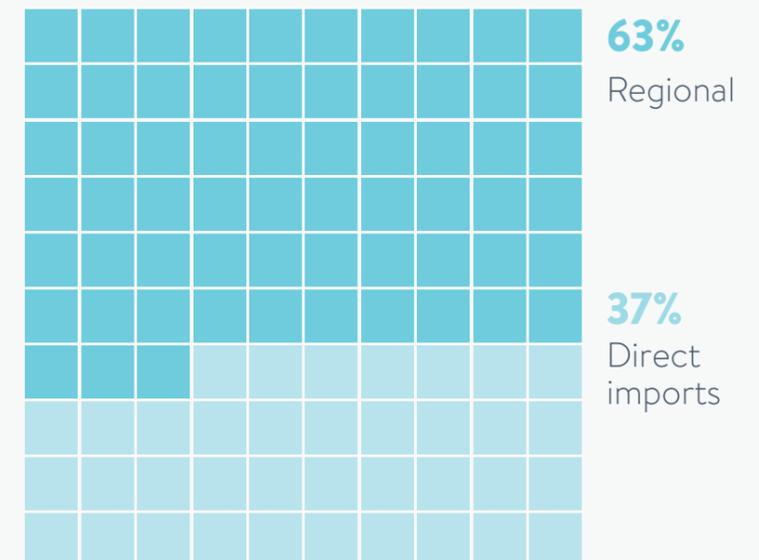
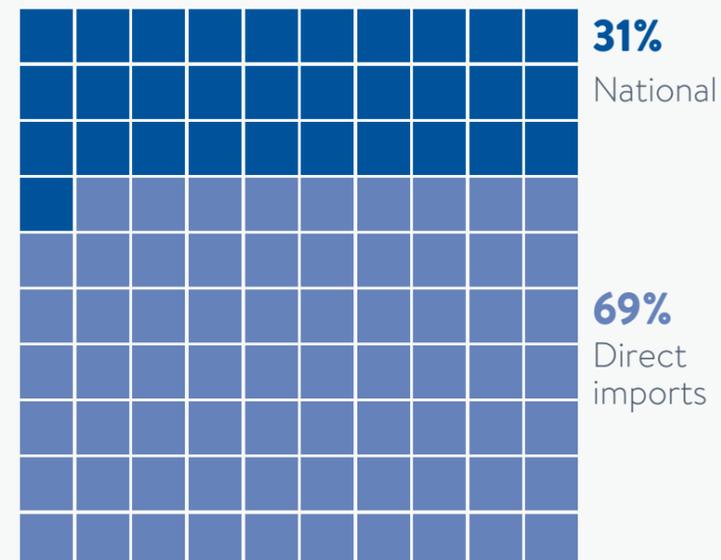
#### Purchasing of national/regional products



#### Buying direct from farmers



#### Buying from suppliers





## DIRECT SOURCING FROM FRESH LOCAL SUPPLIERS



### FRUITS AND VEGETABLES

Mexico Central America

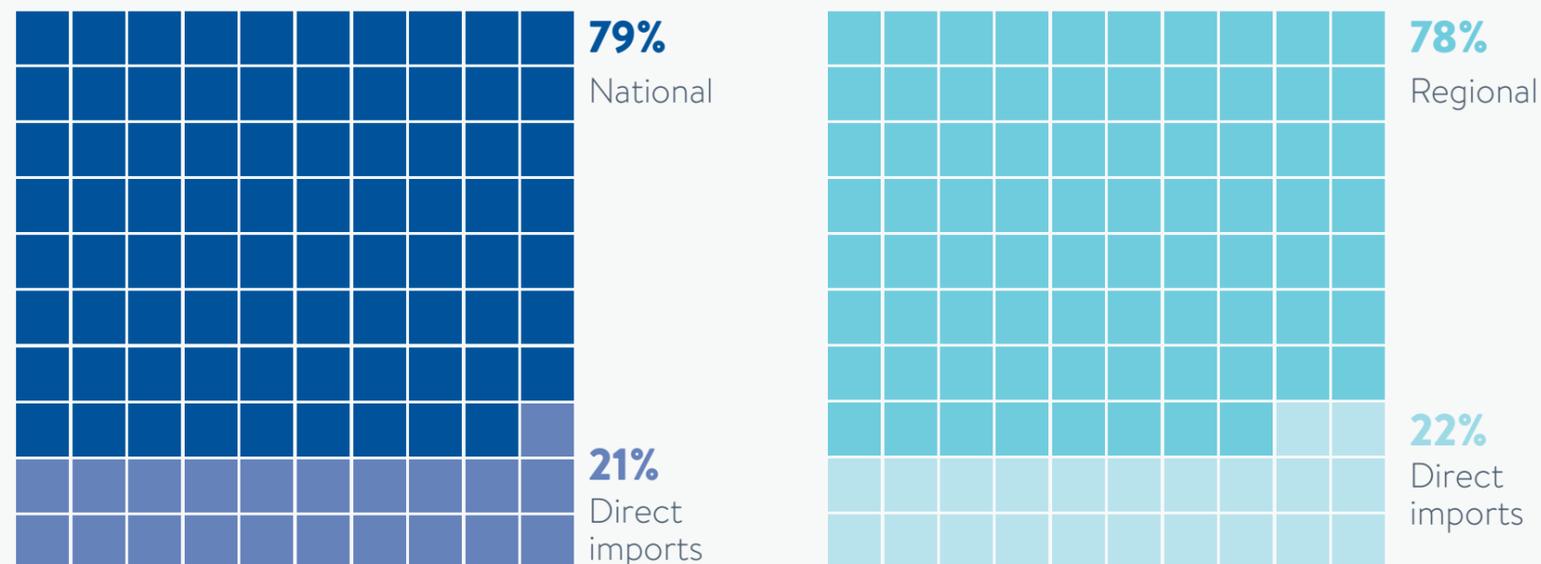
#### Purchasing of national/regional products



#### Buying direct from farmers



#### Buying from suppliers





## DIRECT SOURCING FROM FRESH LOCAL SUPPLIERS



### MEAT

Mexico Central America

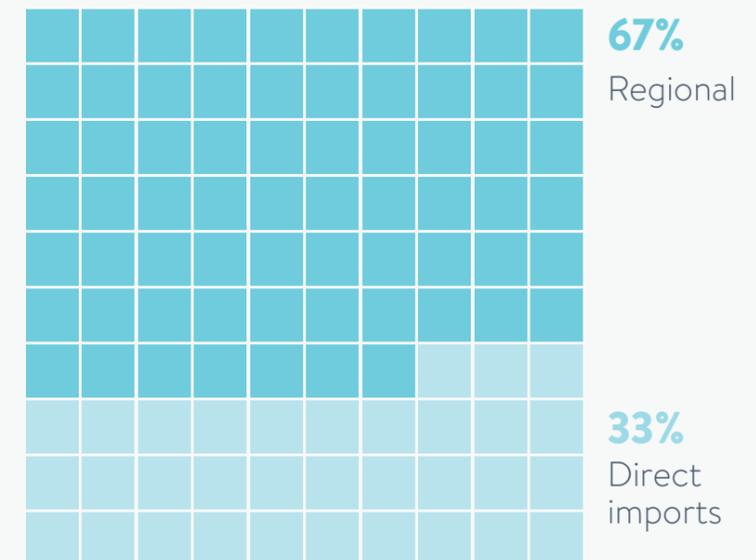
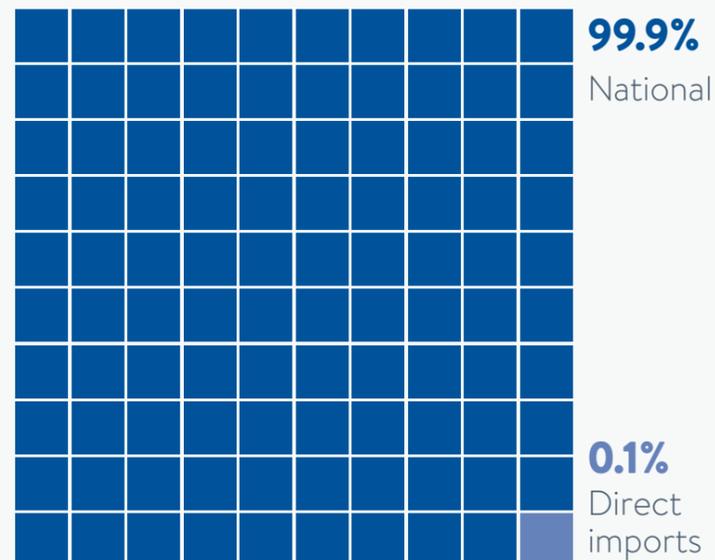
#### Purchasing of national/regional products



#### Buying direct from farmers



#### Buying from suppliers





## DIRECT SOURCING FROM FRESH LOCAL SUPPLIERS



### POULTRY

Mexico Central America

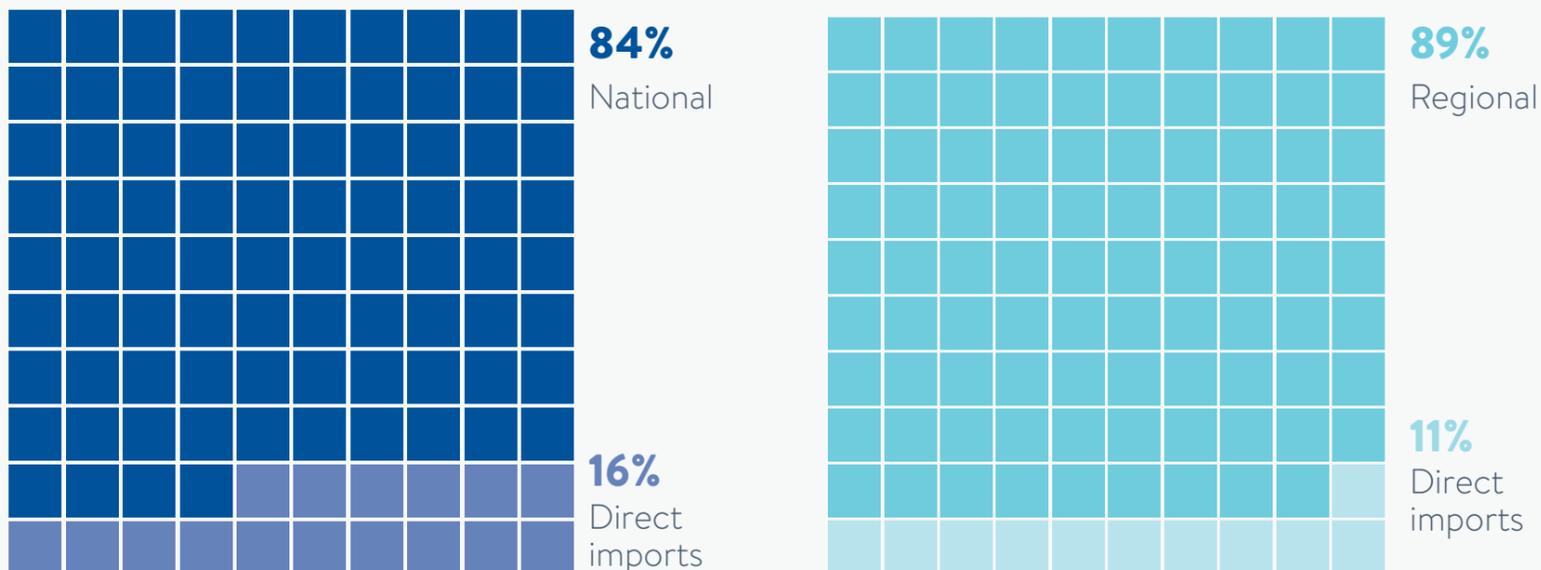
#### Purchasing of national/regional products



#### Buying direct from farmers



#### Buying from suppliers





## DEVELOPING OUR SUPPLY CHAIN

GRI 204-1



Through our **Adopt an SME** program, we help small and medium-sized companies increase their sales and develop their operating, financial, and logistics capabilities.

The purpose of the program is to endow our suppliers with a broader vision of the business with tools that assist in enhancing their performance, thereby strengthening their commercial strategy.

Through this program we not only contribute to the development of our suppliers, but also to that of our country and families throughout Mexico.

### Some of the benefits for the suppliers who are part of the program include:



Commercial advice



Training in logistics, commercial strategies, and promotions



Positioning their products in the media



Access to shared promotions



### Each year, we select the suppliers with the greatest potential, so they obtain training and mentoring, allowing them to improve performance and reinforce their commercial strategy.

**26**

suppliers supported, who offered their products in Bodega Aurrera, Walmart and Walmart Express, nationwide

**50%**

**increase goal** for sales in 2021 achieved 104% accomplishment

**+151**

**million** pesos in sales posted for 2021

**23%**

of suppliers who are part of this program are women

Our associates participate in helping companies focus their efforts on learning about retail



## A HELPING HAND TO GROW

A Helping Hand to Grow is the program through which the Shared Value Initiative fosters the development of SME manufacturers, with special attention paid to the economic empowerment of women.

Our mission is to incorporate SMEs to the value chain and help these small and medium-sized enterprises grow through training and business opportunities.

The program fosters the growth and development of our suppliers in Central America, ensuring the availability of top-quality products for our customers and the continuous growth of these SMEs.



### Pillars of the program:



#### SUGGESTING NEW PRODUCTS

- Training in How to Be a Walmart Supplier
- Public call
- Online app
- 90-day test period in pilot stores
- Test period evaluation



#### TRAINING SUPPLIERS

- Walmart processes
- Developing managerial skills



#### ACCOMPANIMENT DURING THE FIRST 3 YEARS

- Internal link
- SME rates
- Business review

**454**  
SMEs

**33%**  
are headed  
by women

**10.5%**  
increase  
in sales by  
SMEs

**11,111**  
families  
benefited



A HELPING HAND TO GROW RESULTS



SALES

2018

9%

\$948 millions

2019

10.5%

\$1,035 millions

2020

12.1%

\$1,193 millions

2021

10.5%

\$1,227 millions



PURCHASES

7.3%

\$724 millions

9%

\$832 millions

5%

\$909 millions

8.29%

\$966 millions



## FERTILE SOIL



Fertile Soil is a support program for SME farmers who seek access to a safe market, direct purchases, technical advice, and specific investments in equipment and the purchasing of raw materials.

Fertile Soil has become a global benchmark for the organization, working with small and medium-sized farmers to ensure farming practices that are sustainable for the environment; a long-term business relationship; and growth in innovation, sales, and the market for SMEs.



### The top three pillars for this program include:



#### BUYING DIRECTLY FROM FARMERS:

This enables the farmer to be an active part of the value chain, with competitive prices and a reduction in intermediaries. Thereby, ensuring timely payment and greater income for the suppliers.



#### ENSURING ACCESS TO TECHNOLOGY AND KNOW-HOW

This is managed through NGOs, direct donation of goods, or through the implementation of projects aimed at providing tools, equipment, new agricultural technologies, and direct investment resources.



#### TRAINING AND TECHNICAL ASSISTANCE:

Through the help of subject-matter experts at Walmart and outside consultants, we provide training and technical assistance to our suppliers in different areas of expertise -seed quality, crop rotation, post-harvest handling, responsible use of water resources, Good Manufacturing Practices (GMP), basic management skills in agrobusiness, and financial assistance. In addition, we offer ongoing and frequent training for farmers in Good Agricultural Practices (GAP).



These NGOs continuously visit the farmers and provide advice on clean production with low levels of agrochemicals, disease and pest control, nutrition, careful planting, soil management, and rational use of resources



During 2021, **1,553 people received training**, of which **30% were women**, in reduced environmental impact techniques, enhanced productivity, guaranteed food safety of products we purchase and how to increase sales.

Through this program we have contributed by purchasing directly from **632 small and medium-sized farmers**, thus benefiting **13,238 families in Central America**; **71 of these farmers are women** and represent **11% of fruit, herb, and vegetable suppliers**.

We purchased a total of more than **1.7 billion pesos** from these farmers, representing **68% of the produce and cereals** sold by our stores in Central America.

During 2021, we helped to train **563 farmers** by offering **126 technical training sessions** and helped to create business skills for **26 farmers**, in alliance with the *Tecnológico de Costa Rica*.



Our goal by 2025 is to increase access to the sustainable market and improve living conditions for small farmers



FERTILE SOIL RESULTS



2018

\$1,116 millions

2019

37%  
\$1,563 millions

2020

6%  
\$1,684 millions

2021

5%  
\$1,793 millions



## SMALL FARMERS

GRI 413-1

In recent decades, Mexican farmers have faced several challenges due to different factors that have notably impacted the economy and social structure of the most vulnerable communities.

In 2011, the Walmart Mexico Foundation created the Small Farmer program with the purpose of increasing income for Mexican farmers, through training sessions that help them to drive their agricultural, logistics and entrepreneurial production processes. This has afforded them the opportunity to market their products in our units under preferential conditions or in any other self-service, and to even export them.

Thanks to this program we have contributed to greater productivity, increased earnings and economic spillover, and created jobs and new businesses with a special focus on the inclusion of young people and women.



**10 AÑOS**  
Conectando al campo  
Mexicano contigo



This program involves monetary resources, sales floor, purchasing power, and the time and talent of associates from all commercial areas and from logistics



In 10 years we have achieved the following:

**36**

agrobusinesses currently selling

**23,637**

small farmers with training

**1,149**

million pesos generated tin sales

**42**

crops benefited in 18 states

**1,590**

jobs created

**59,000**

tons sold

**1,196**

communities benefited



In 2021 we achieved:

**569**

million pesos in purchases from small farmers

**4,963**

farmers benefited

**19%**

women farmers benefitted

**86%**

increase in income





## SMALL FARMER: CONNECTIVITY

In 2021, we created an alliance with BAIT, our virtual mobile operator, to provide access and connectivity to small farmers and their communities by offering cellular phone equipment and affordable voice plans.

 During 2021 we delivered 565 BAIT devices to small farmers

To achieve this connectivity goal, we are focusing on three components:



### 1.- CONNECTIVITY ACCESS:

Increase the inclusion of information technologies in alliance with BAIT.



### 3.- ACCESS TO MARKETS WITH TRACEABILITY APP:

A traceability system for small farmers.



### 2.- COMBINE TRAINING:

Increase the number of in-person training sessions for farmers regarding digital media (audio and video) to enhance learning and the adoption of practices such as increased participation of young farmers.

**Our goal is to digitally enable 25,000 farmers by 2030**





## A SUCCESS STORY

The Vegetable Farmer Union of Matamoros, Coahuila (Uprohma) was created in 2015 with 15 watermelon and melon farmers as members. That year they joined the Small Farmer program to receive agronomical and business training that would enable their access to formal markets. During the first year of operation, they invoiced 1.9 million pesos and placed their products in the distribution center of Monterrey, Nuevo León.

The Uprohma farmers -willing to adapt and innovate- worked to transform the quality of their crops and their income, applied their new knowledge and skills acquired within the program, and were able to sell their fruit in formal markets at a price of up to 75% higher than in the past.

The Union obtained certification from Global Market NSF International and awarded Best Walmart Supplier in March 2018. As a result of improved processes, quality, and shelf-life of their products, in addition to placement in the Monterrey distribution center, today they deliver their products in five distribution centers throughout Mexico.

With the earnings from the agrobusiness, they invested in purchasing their own forklift equipment, two picker machines, and two cold rooms. Moreover, throughout the years the agrobusiness has opened its doors to new members, now comprising 57 small farmers, thereby increasing the impact in their community.



In 2021, seven years into the program, Uphroma invoiced **17 million pesos**: a **700% increase** in sales since 2015



WATCH VIDEO



MORE THAN

# COMMITMENT

IT'S

# SUSTAINABILITY



2021 REPORT



## SUSTAINABILITY

- 2040 Priorities and Results
- Climate Change
- Circular Economy
- Natural Capital

# 52.5%

of total energy consumption comes from **sustainable** sources

# -1,881

**tons of virgin plastic** in our operations and Private Brands products





# SUSTAINABILITY

GRI 305: 103-1, 103-2, 103-3  
SASB CG-EC-130A.3

We aspire to become a regenerative company where nature and humanity at the center of our business practices. Thus, we will focus on protecting and restoring nature as we comprehend its relevance for the stability of ecosystems, biodiversity conservation and our collective well-being.

**189.8 million**

pesos invested in sustainable initiatives

**126.3 million**

pesos saved by implementing sustainable initiatives

## 2040 PRIORITIES

Our three priorities are:



**1. Mitigate climate change** by reducing emissions in our operations and in our supply chain.



**2. Contribute to the creation of a circular economy** by avoiding waste generation, reducing the use of natural resources and reusing materials in new value cycles.



**3. Help conserve natural capital** through sustainable sourcing.





Our actions in this decade are decisive to reverse the damage caused to the planet and to achieve a sustainable future

Therefore, involving our associates and their families is essential, which is why this year we launched our first Sustainability Week, that allowed us to:

**Communicate our strategy** and sustainable corporate actions to all staff and operations associates

**Invite associates** to engage in the company's initiatives

**Raise awareness and explain, in a fun and simple** way, basic actions they can perform from home, as well as broaden the understanding of concepts such as emissions, climate change and sustainable sourcing through young influencers

**+3,900**  
associates and family members engaged



In 2021, we advanced to achieve our goals and obtained the following results:

# 1 CLIMATE CHANGE

GRI 305: 103-1, 103-2, 103-3

## Zero Emissions by 2040

Reduce Greenhouse Gas (GHG) Emissions in **18%** by 2025, compared to 2015

**-3.8%**

scope 1 and 2 emissions reduction vs 2020

**MX: -5.4%**

**CAM: 11.7%**

**-1.3%**

energy reduction vs 2020

**MX: -1.4%**

**CAM: -0.6%**



Source **100%** of our energy from **renewable** sources by 2035

**52.5%**

of total energy consumption comes from sustainable sources

**MX: 60.6%**

**CAM: 0.6%**

Work with our suppliers to **reduce or avoid GHG emissions equivalent to 1 gigaton** in our global supply chains, by 2030

**776**

suppliers participated in Project Gigaton

**MX: 601**

**CAM: 175**



Goals

Progress

Consolidated

Mexico

Central America



## 2 CIRCULAR ECONOMY

### Zero waste to landfill by 2025

Reduce food waste generation by **50%**, by 2025



**68.6%**  
achievement towards  
Zero Waste goal

**MX: 71.8%**  
**CAM: 50.4%**

**3,586,967**  
m<sup>3</sup> of landfill  
released

**MX: 3,401,396**  
**CAM: 185,571**

By 2025, all of Private Brands packaging:

- Will be 100% recyclable, reusable or compostable
- Will avoid the use of unnecessary or difficult to recycle plastic
- Will include at least 20% of post-consumer recycled material



**45.5%**  
of our packaging is  
recyclable, reusable or  
compostable

**16%**  
post-consumer material  
is incorporated in Private  
Brands' packaging

Reduce **3,000 tons of virgin plastic** from our operations and Private Brands products by 2025, compared to 2020

**1,881**  
tons of virgin plastic  
reduction vs 2020,  
in Mexico



 Goals

 Progress

 Consolidated

 Mexico

 Central America



### 3 NATURAL CAPITAL

By 2025, Private Brands products will use palm oil, paper, pulp and timber from **certified sustainable sources**.



**97.6%**

of palm oil and palm oil by products used in Private Brands are RSPO or Rainforest Alliance certified in Mexico

**95.6%**

in Central America

**99.4%**

of the total volume of paper, pulp and timber we use in Mexico comes from certified sources such as FSC PEFC and SFI or includes recycled content

**100%**

in Central America

By 2025, fresh and frozen seafood and canned tuna will be sourced from **certified sustainable sources** or Fishery Improvement Projects.

**82%**

of our fish and seafood are certified as sustainable or come from a Fishery Improvement Project, in Mexico

**76.1%**

in Central America

**100%**

of our canned tuna is MSC certified in Mexico



Goals

Progress

Consolidated

Mexico

Central America



# CLIMATE CHANGE

GRI 305: 103-1, 103-2, 103-3, 305-5  
SASB CG-EC-410A.2



The first priority of our commitment to sustainability, is to mitigate climate change by reducing emissions in our operations and our supply chains.



## Our strategy towards becoming a Zero Emissions company by 2040

In order to avoid the most devastating effects of climate change, the world must act immediately to drastically reduce and eliminate greenhouse gas emissions. Building on our long-standing commitment to climate action, we raised our target level to Zero Emissions by 2040 along our network of operations. Without relying on the use of carbon offsets, our goals are:



Source **100% of our energy from renewable sources by 2035**



**Electrify the vehicles we use**, including long-haul trucks, by 2040



**Transition to low-impact refrigerants** in cooling and heating equipment in our stores, clubs, distribution centers and data centers, by 2040





These goals are ambitious, and to achieve them, we will need innovation and infrastructure

To achieve Zero Emissions by 2040, we must manage and improve these systems and phase out high-impact refrigerants.

We have committed to decarbonizing our operations and transportation network. Unlike carbon-neutral, Walmart's Zero Emissions goal does not contemplate the purchase of carbon offsets to cover the remainder. In order to achieve Zero Emissions by 2040, we will accelerate the current strategies we have in place and leverage new and emerging technologies.



This year, we reduced **-3.8%** of our Scope 1 and 2 emissions compared to 2020

### EMISSIONS REDUCTION

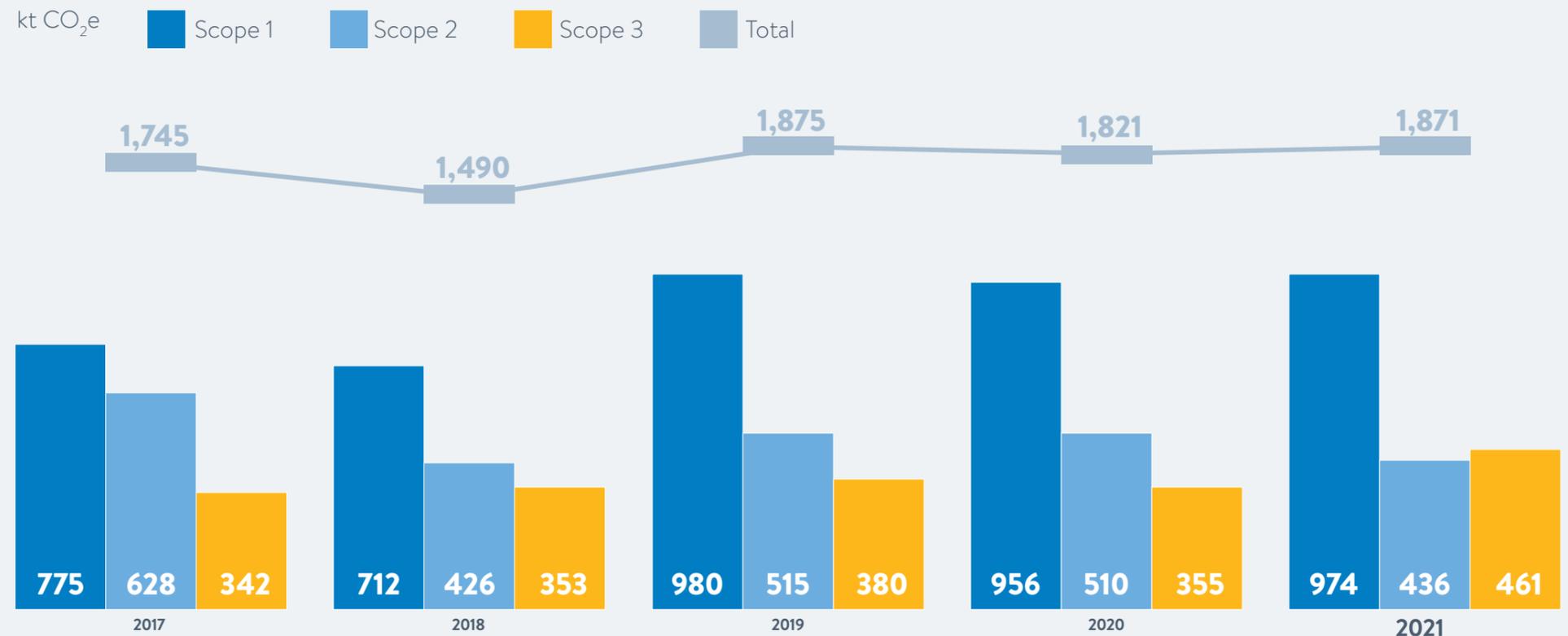
We continue to make progress in our automation and control (IoT) strategy, where we achieve significant energy savings in refrigeration equipment, air conditioning and lighting, thanks to strategies that allow us to reduce electricity consumption without compromising comfort in our stores.

We seek to mitigate our direct scope 1 emissions, which come mainly from refrigerants and fuel consumption, by integrating new technologies that allow greater efficiency and refrigerants with lower calorific potential.

In the case of our energy consumption, we have achieved a significant reduction through renewable sources, which allow us to mitigate our scope 2 carbon footprint.

We also have a energy intensity reduction goal, with which we promote operational efficiency. Finally, we know that due to the nature of our business, it is essential to engage our supply chain in emissions reduction as this is where most of the emissions are concentrated. We understand our role in using our scale as a positive driver for change.

Mexico and Central America's emissions by scope





## EMISSIONS INTENSITY

GRI 305-1, 305-2, 305-3, 305-4, 305-6  
SASB FB-FR-110B.1  
SASB FB-FR-110B.3

In 2021, we maintained the GHG emissions reduction trend. This way, we have the assurance that our emissions are not linked to our business growth.

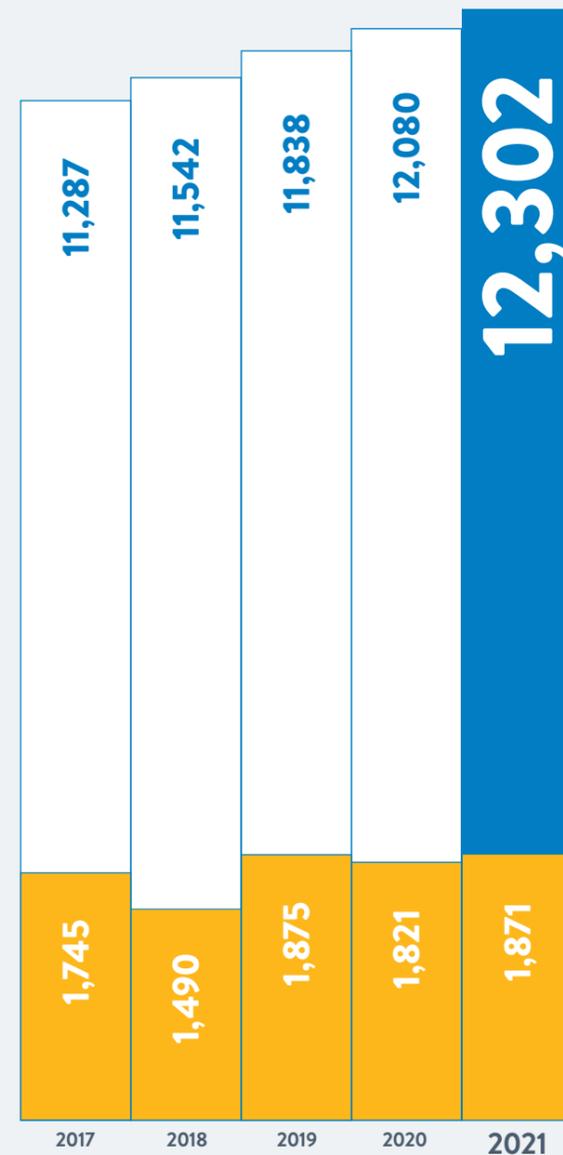
This can be seen more directly when noting the behavior of our emissions intensity, as we have witnessed a constant emissions reduction trend since 2019, generated primarily by operational efficiency and renewable energy initiatives.

Our business growth is independent of our emissions intensity

### Total box vs Total de Emisiones

Mexico and Central America

Thousands of m<sup>2</sup> of construction Thousands of Tons CO<sub>2</sub>e



We reduced 5.6% our emissions intensity of scope 1 and 2 in 2021, compared to 2020

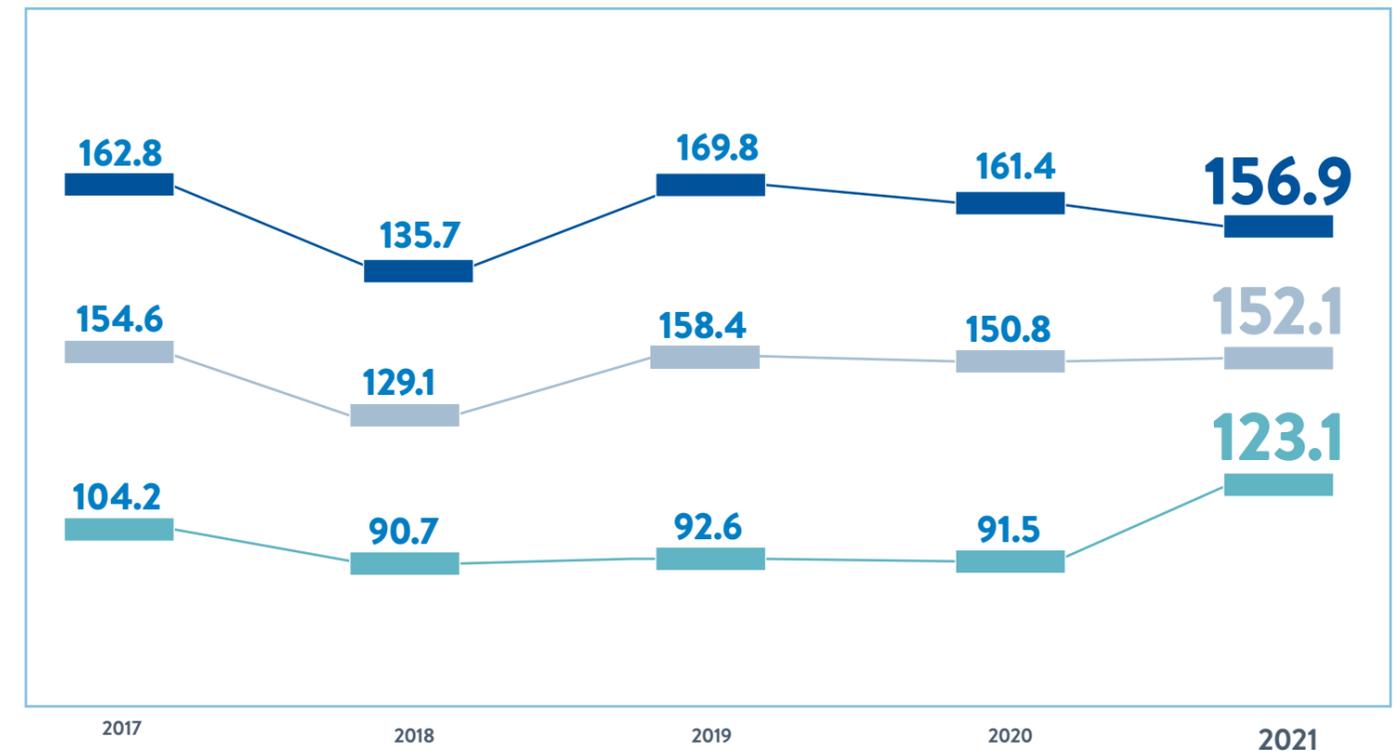
We increased our total emissions intensity by 0.9% in 2021 compared to 2020



### Emissions Intensity 2017 - 2021

kilograms CO<sub>2</sub>e/m<sup>2</sup>

Mexico Central America Mexico and Central America





# SCOPE 1, 2 AND 3 EMISSIONS SOURCES

GRI 305-1, 305-2, 305-3  
SASB FB-FR-110B.1,FB-FR 110B.3,FB-FR-110A.1,CG-EC-410A.1

Our scope 1 emissions correspond mainly to refrigerant gas leaks and to a lesser proportion, stationary and mobile combustion. This stems from the high Global Warming Potential (GWP) found in most conventional refrigerants.

On the other hand, our scope 2 emissions are calculated based on the energy consumed directly from the power grid in each country. This reflects the importance of our energy supply strategy, based on renewable projects allowing us to mitigate these type of emissions.

Finally, our scope 3 GHG emissions are determined by the corporate value chain methodology of the GHG Protocol, which identifies the categories that we must report.

The processing of products sold and their end-of-life disposal has not been included in this scope 3 calculation, although we recognize their importance and are working on a way to integrate them in the future.

## Thus, we incorporate the following relevant sources for this scope:



Purchased products or services



Capital goods



Transportation and distribution of products to distribution centers and stores



Travel by associates in company-owned cars



Transportation used for home delivery

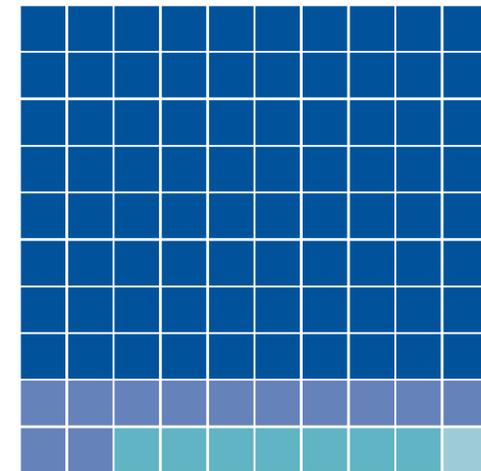


Business travel

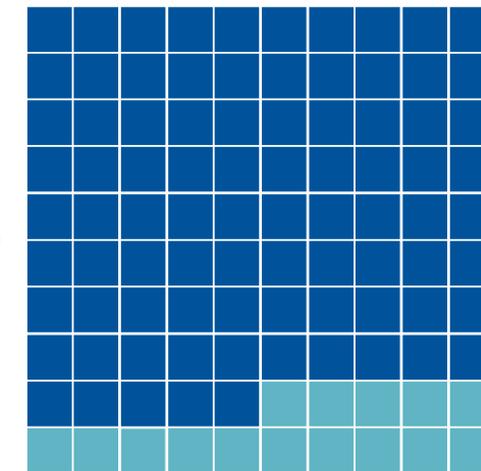


## Breakdown of total CO<sub>2</sub>e emissions by scope

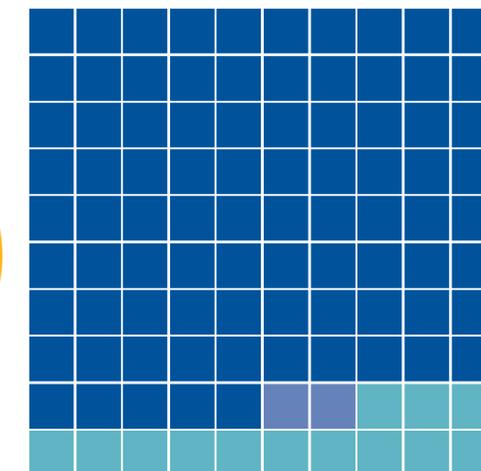
Mexico Central America



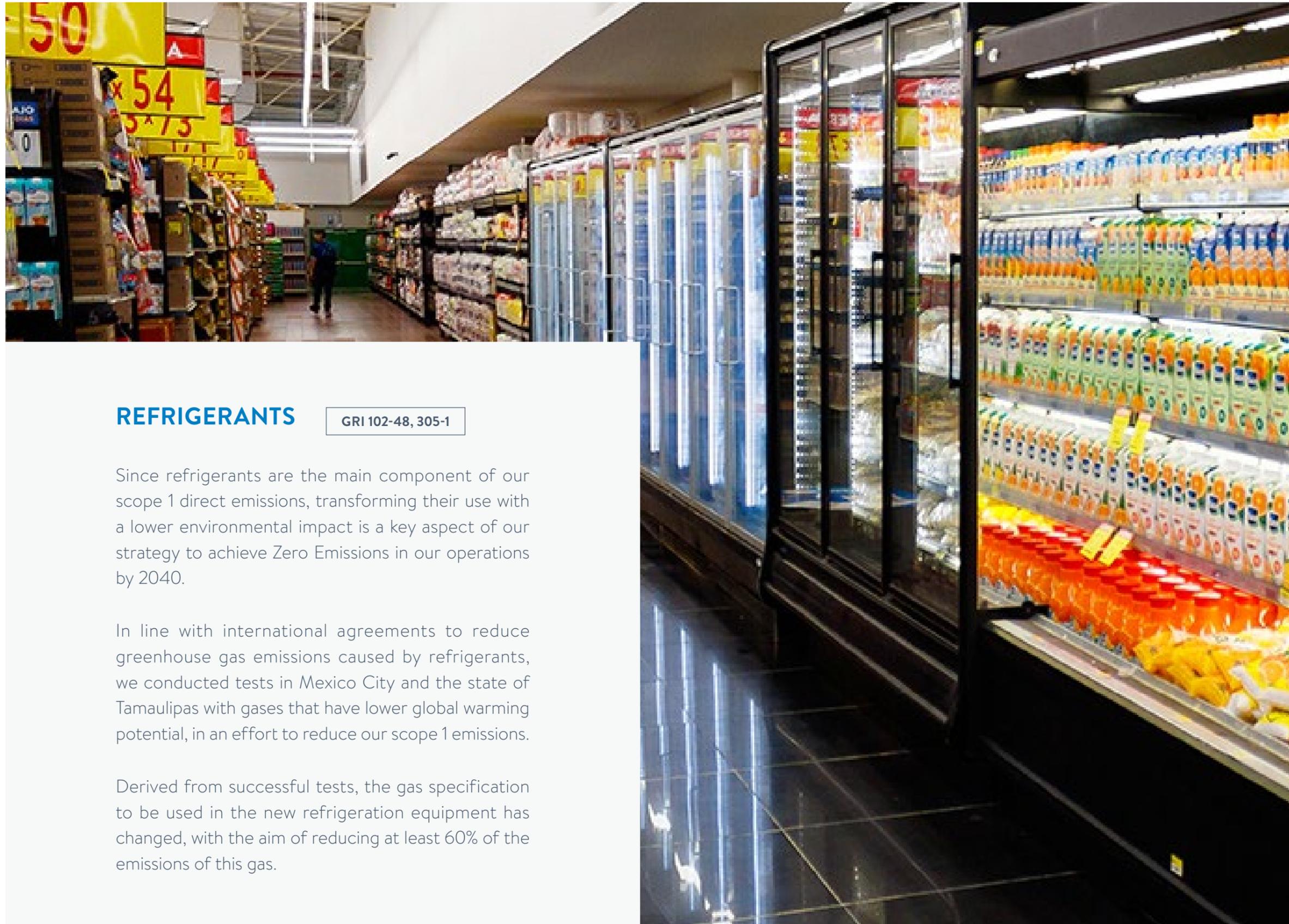
79.3% Refrigerants  
11.5% Fuels  
7.9% Refrigerants  
1.3% Fuels



85.0% Electricity  
15.0%



85.6% Transportation  
1.8% Business Travel  
12.6% Transportation  
0.0% Business Travel



## REFRIGERANTS

GRI 102-48, 305-1

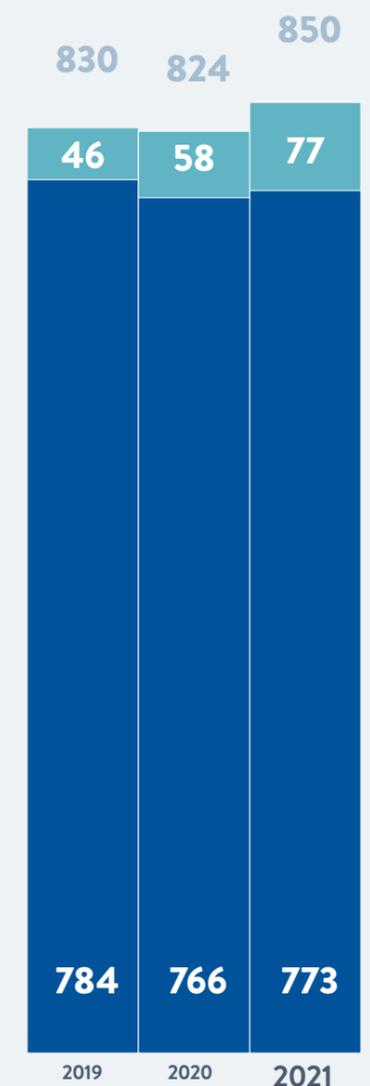
Since refrigerants are the main component of our scope 1 direct emissions, transforming their use with a lower environmental impact is a key aspect of our strategy to achieve Zero Emissions in our operations by 2040.

In line with international agreements to reduce greenhouse gas emissions caused by refrigerants, we conducted tests in Mexico City and the state of Tamaulipas with gases that have lower global warming potential, in an effort to reduce our scope 1 emissions.

Derived from successful tests, the gas specification to be used in the new refrigeration equipment has changed, with the aim of reducing at least 60% of the emissions of this gas.

### Emissions by refrigerants ktCO<sub>2</sub>e

- Mexico
- Central America
- Mexico and Central America





# ENERGY

GRI 302: 103-1, 103-2, 103-3, 302-1, 302-2, 302-3, 302-4  
SASB CG-MR-130A.1, CG-EC-130A.1, FB-FR-130A.1



The transition to operations with 100% renewable energy by 2035 is an ambitious goal, but one that we consider essential to mitigating climate change. In addition to having six wind farms and two hydroelectric plants to supply power to our operations, we also have on-site photovoltaic power generation for 74 units.

Energy efficiency has been key to these achievements, which is why we have invested 119.2 million pesos in Mexico and 26.1 million pesos in Central America to continue our transition to LED lighting and photovoltaic cells.

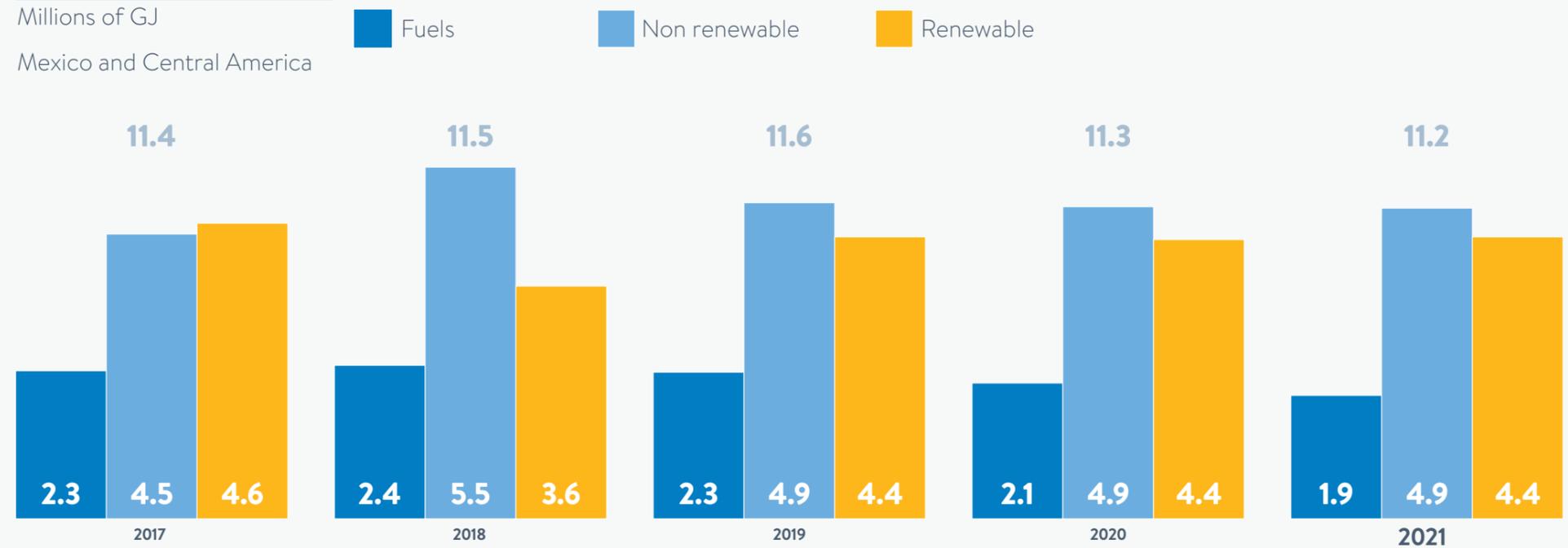
In Central America, we rolled out our first 3.6 megawatts (MWh) solar energy generation project, within the facilities of our business units (distribution centers and stores) with what we managed to produce the first 1,946 MWh (megawatts per hour), equivalent to the average annual consumption of 580 Central American households, thus avoiding the generation of 405 tons of greenhouse gases.

**11.2** millions of GJ  
of energy consumed

## Total energy consumption

Millions of GJ

Mexico and Central America



We **reduced electrical power intensity by 4.4% in Mexico** in 2021, meeting our goal to reduce **energy intensity by 26% compared to 2010.**



In 2021, we **reduced our total energy consumption by -1.3%**, in addition to increasing our consumption of renewable electric energy by **0.7%**. With this, **52.5% of our energy comes from renewable sources.**

## Energy intensity

GJ/m<sup>2</sup>





## SCOPE 3 INDIRECT EMISSIONS

GRI 305-3  
SASB FB-FR-110A.1, CG-EC-410A.1

In Mexico, we started a project to transition our on-demand fleet to zero emission electric vehicles.

We have 47 electric vehicles in our four business formats (Walmart, Bodega, Sam's Club and Walmart Express), operating in 8 stores.

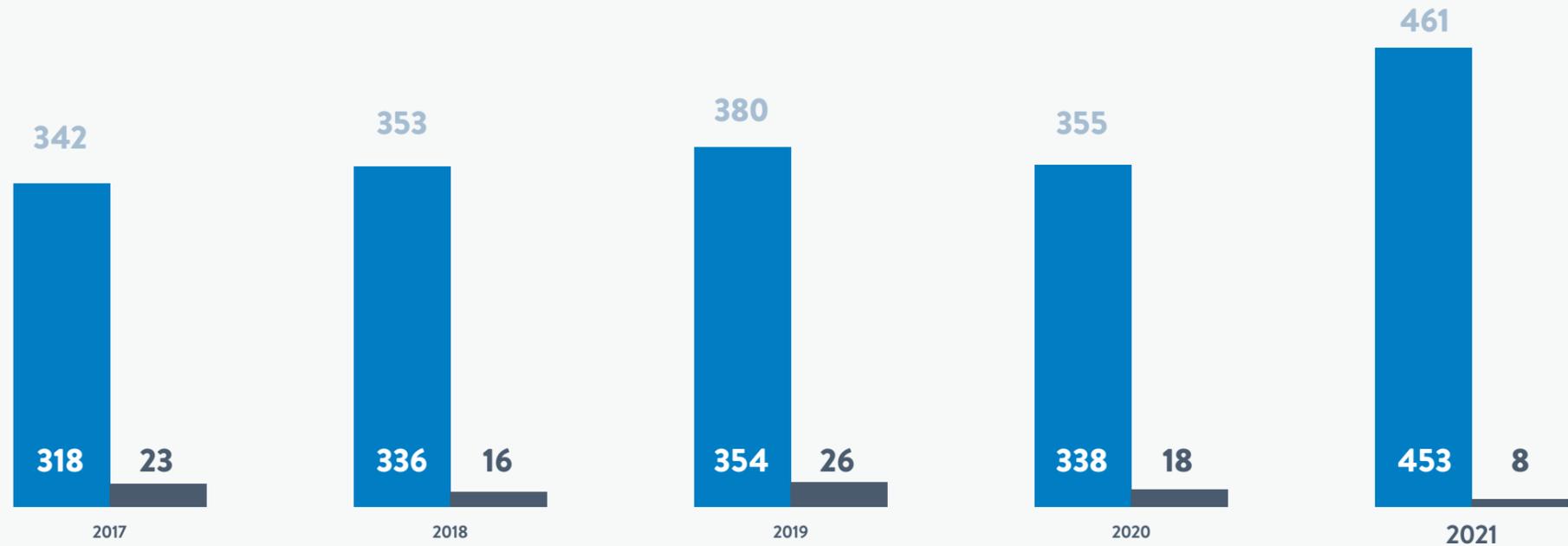
We have traveled more than 280,000 km with these vehicles, reducing more than 28 tons of CO<sub>2</sub>.

In Central America, during 2021, we added 34 electric vehicles to our fleet to avoid the consumption of more than 62,300 liters of gasoline in one year, the equivalent of avoiding more than 145 tons of greenhouse gases. By 2022, 47.6% of our light trucks will be sustainable.

In addition, we installed ten semi-fast charging stations that our customers can use to charge their electric vehicles while shopping in our stores.

### Scope 3 Emissions Thousand tons CO<sub>2</sub>e

■ Transportation ■ Business Travel ■ Mexico and Central America



### LOGISTICS EFFICIENCY

Backhaul and reverse logistics initiatives contribute to the reduction of emissions by transporting goods on trips that would otherwise be made on empty trailers. With this, we increase the efficiency of freight transportation.



**28,281,010**  
km not traveled



**34,187**  
tons of CO<sub>2</sub>e emissions  
avoided by logistics  
initiatives



**12,067,084**  
liters of fuel saved





## PROJECT GIGATON

Project Gigaton continues to be one of our main strategies to leverage our scale in a positive way in our value chain. Through this project we aim to avoid the generation of one billion tons of CO<sub>2</sub>e in our value chains by 2030; so that our suppliers can join the project and set goals based on their activities and projects. Our goal is that all participating suppliers can achieve Gigaguru status, by annually reporting their progress and making their commitments public.

# ProjectGigaton™



We invite suppliers to establish emission reduction SMART goals in one or more of the project's seven pillars

This program has been very well accepted by our suppliers, as follows:

**776**  
active suppliers  
(450% vs 2020)

**352**  
Gigagurus

**136**  
Sparking  
Change



### CDP

Derived from the response to CDP, the results are as follows:

**B**

CDP rating

**229**

suppliers participated in the CDP Supply Chain Climate Change

**56%**

of our suppliers launched initiatives to reduce emissions

**59%**

of suppliers set an absolute, intensity reduction goal, or both



**74%**

of suppliers have processes to identify risks and climate opportunities

**366,415 million**

pesos is the cost associated with supply chain climate change risk management

**527,800 million**

pesos is the cost to materialize climate change opportunities in the supply chain



Our suppliers are linked to us through the CDP Supply Chain initiatives, where they report their environmental performance regarding climate change and water security



## CLIMATE RISKS AND OPPORTUNITIES

GRI 102-11, 102-15, 201-2

Climate change has increased disruptions and the risks that are materializing more frequently. According to the World Economic Forum, extreme weather events and human-caused damage to the environment- bothe related to climate change- are two of the top ten current risks. They are also directly linked to three existential risks in the next ten years: biodiversity loss, natural resource crisis and the possibility of failure in climate action strategies.

These risks imply that the possibility of having disruptions in the value chain are greater, in addition to the high-impact consequences that could be generated in the lives of our customers, the communities where we operate, our associates and the planet. Climate change risks are especially acute in sectors such as agriculture, as well as some others with intensive use of resources, such as manufacturing and the food sector. Therefore, identifying the specific risks and opportunities arising from climate change is fundamental for our company's future strategic vision.

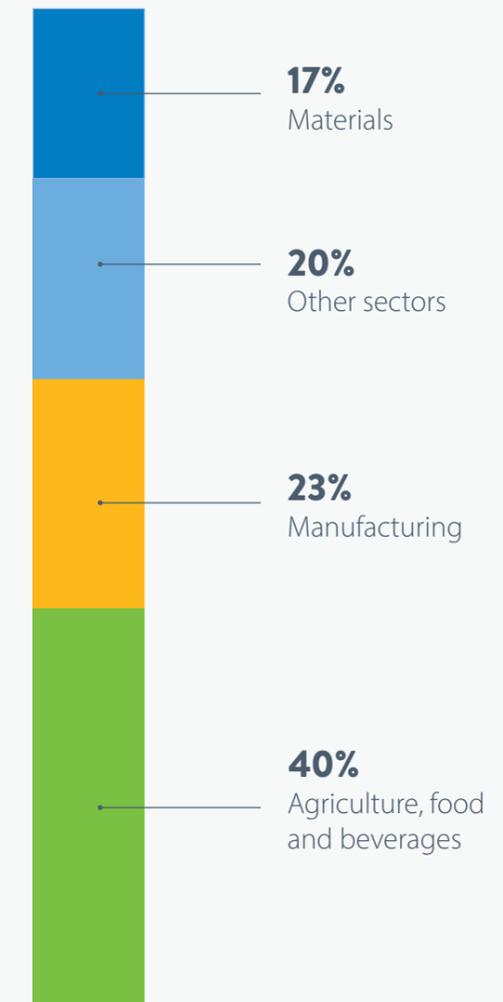


In 2021, **229** suppliers completed the climate change questionnaire. **62%** performed a risk analysis and **60%** an analysis of opportunities related to climate change.

To assess these risks, we first consider a wide range of material issues and potential consequences related to climate change from specialized sources, investors, consultants and international climate change organizations. We update our risk analysis every two years, the last being in 2019. Thus, we have the possibility to link our future and strategic vision to the specific impacts for the company.

In the case of existing risks in our supply chain, as previously mentioned, we focus on the key participants and suppliers that may have higher risk. In order to have an update on risks and opportunities and their possible financial impacts, we rely on the CDP to have visibility at the supply chain level and understand how these key suppliers identify their risks, in what timeframe and with what impacts.

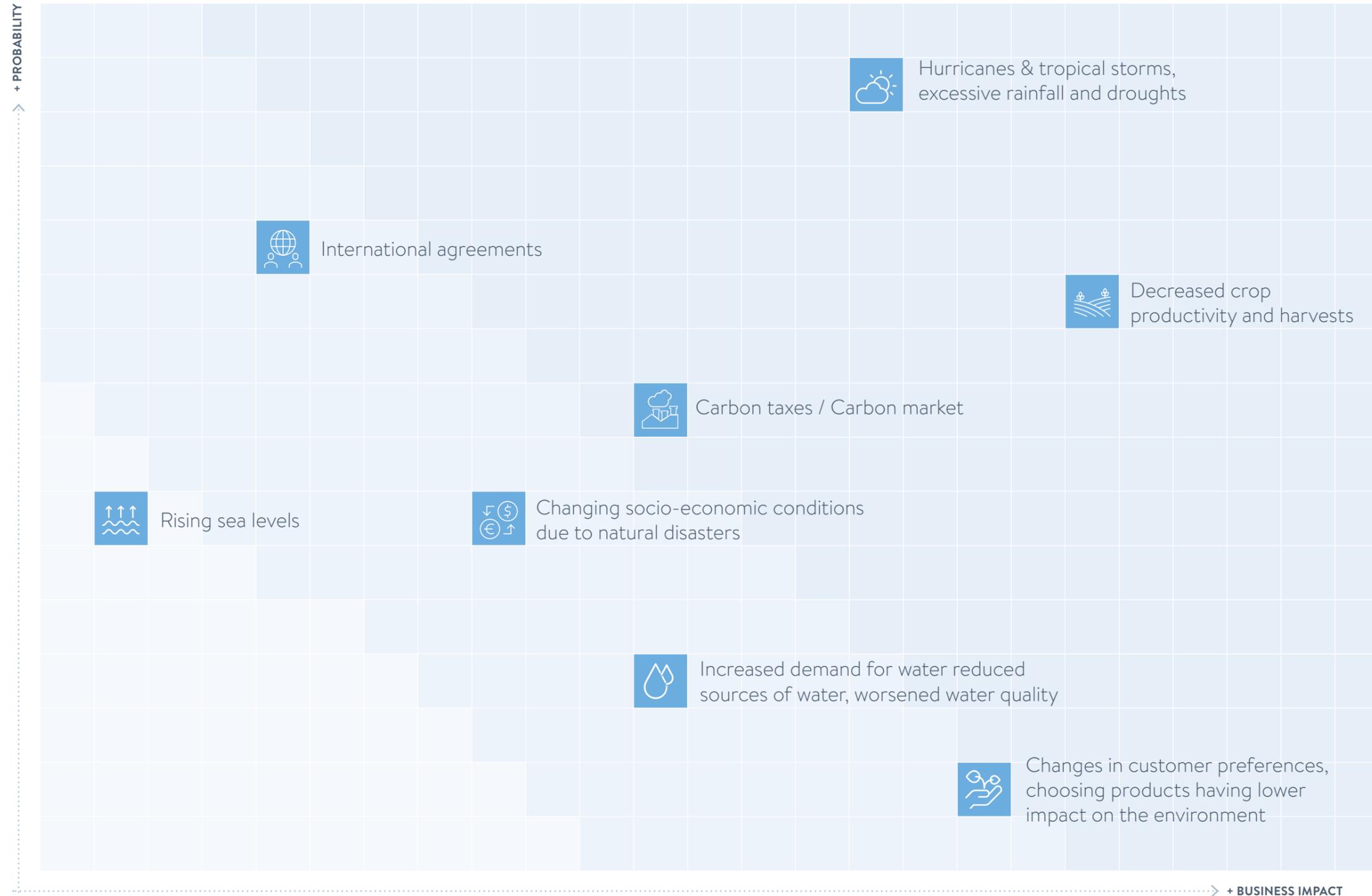
**Supplier participation in CDP by industry type**





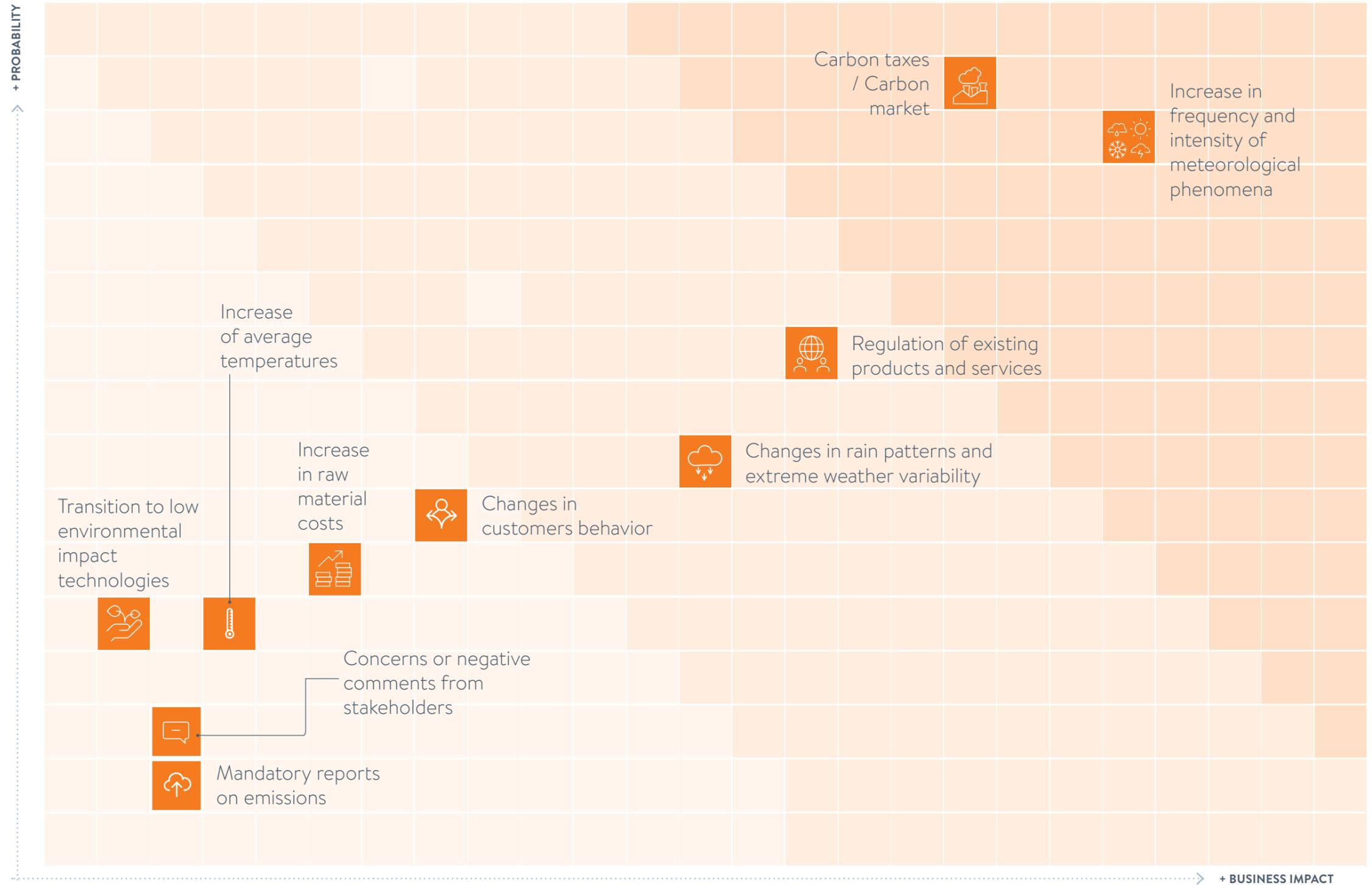
# CLIMATE CHANGE RISK MAP

SASB FB-FR-430A.3



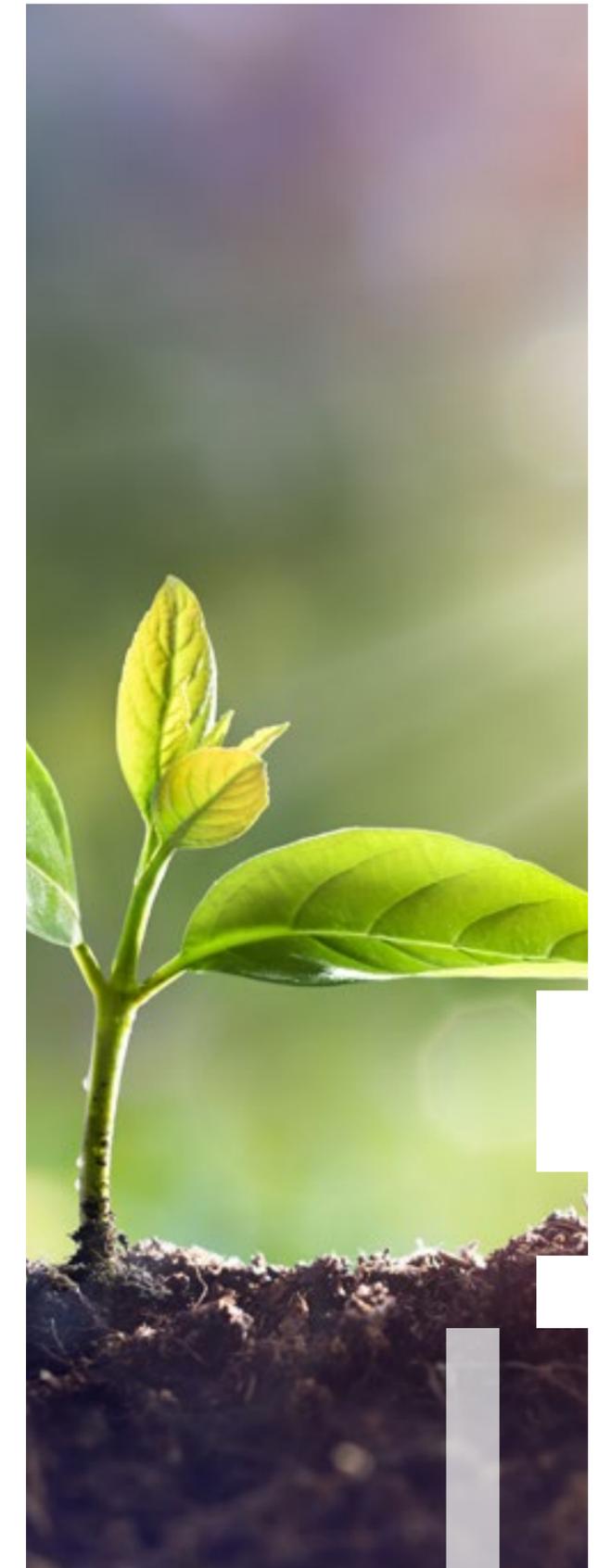
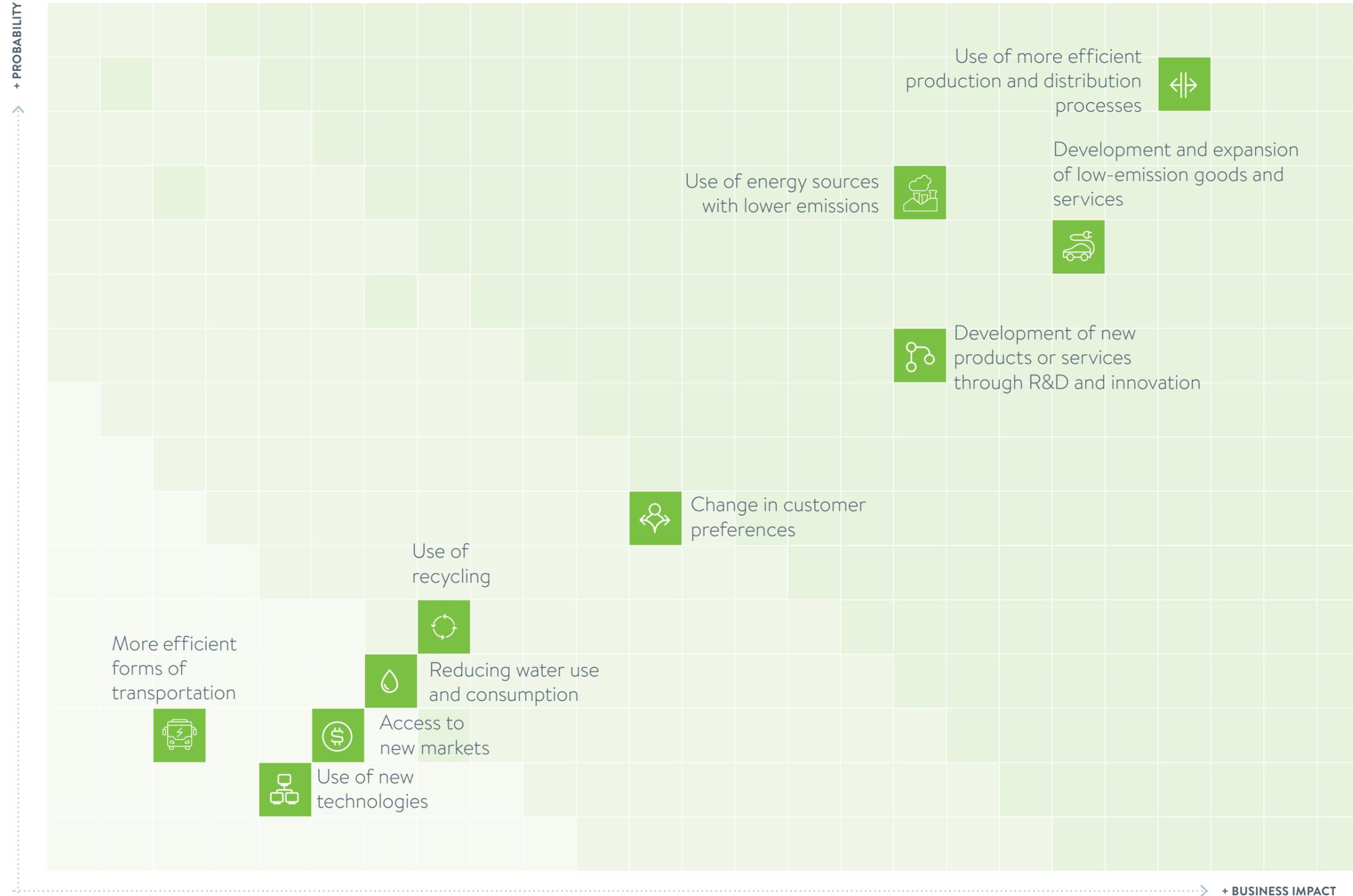


# CLIMATE CHANGE-RELATED RISKS TO OUR SUPPLY CHAIN





# CLIMATE CHANGE-RELATED OPPORTUNITIES FOR OUR SUPPLY CHAIN





# CIRCULAR ECONOMY

GRI 301: 103-1, 103-2, 103-3, 306: 103-1, 103-2, 103-3, 308: 103-1, 103-2, 103-3

The second priority of our commitment to sustainability is to contribute to the creation of a circular economy, where we avoid waste generation, reduce the use of natural resources and reuse materials in new value cycles.

CIRCULARCIRC  
RCULARCIRCU  
CIRCULARCIRC  
RCULARCIRCU





### Circular Economy

#### WASTE

- Inorganic: Plastic
- Inorganic: Cardboard
- Organic



We understand the role we have in promoting circular economy, since we have a supply chain of more than 86,000 suppliers and, on the other hand, we are the point of contact with more than 5 million customers. In this chart illustrates some examples of how we have advanced toward circular economy.



# ZERO WASTE

GRI 306-2, 306-4

Our core commitment is to transform our operations to Zero Waste to landfill by 2025, as defined by the Zero Waste International Alliance. .

At Walmart, we have a Zero Waste Strategy centered on waste reduction, outfitting our stores and distribution centers with the infrastructure required to ensure the correct separation of ullage or waste, donating products that are not suitable for sale but are suitable for consumption to associates or institutions, or channeling waste for recycling and incorporation into new value creation cycles.

To ensure the fulfillment of our strategy, we created the Zero Waste working group made up of Operations, Walmart Foundation, Real Estate , Compliance, Utilities and Sustainability team members.

As part of the activities we conducted this year, we generated an analysis in a sample of our stores to identify the waste we are not currently leveraging and create action plans for 2022.

## Zero Waste strategy

Greatly preferable

- **Prevent**  
Reduce waste in the distribution chain
- **Separate**  
Provide the necessary infrastructure and separate waste properly
- **Innovate**  
Innovate and implement unconventional solutions to avoid sending waste to landfills
- **Donate**  
Donate products suitable for consumption, but not for sale, to associates or institutions
- **Recycle**  
Increase recycling of organic and inorganic waste
- **Disposal**  
Work with third parties to dispose of the waste that cannot be channeled to donation or recycling

Less preferable



Achievement towards our Zero Waste goal, by 2025:

68.6%

Mexico and Central America

71.8%  
Mexico

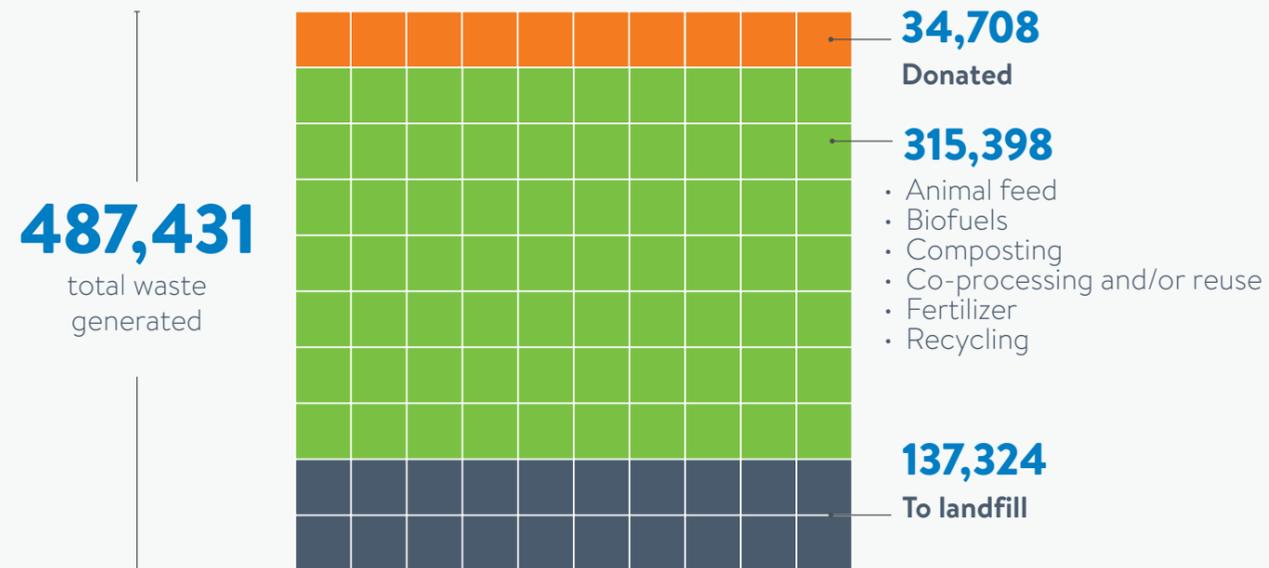
50.4%  
Central America



As a result of the implementation of our strategy, in 2021 we diverted from landfill **71.8%** of our operation waste in Mexico

Mexico final destination of Waste Generated in 2021

Tons



To manage our waste responsibly, we have recoverable waste recovery programs in place.

GRI 306-3, 306-5

574,812

tons of waste generated

358

tons of hazardous waste generated

574,454

tons of non-hazardous waste generated

394,243

tons of waste diverted from sanitary landfills

Mexico and Central America



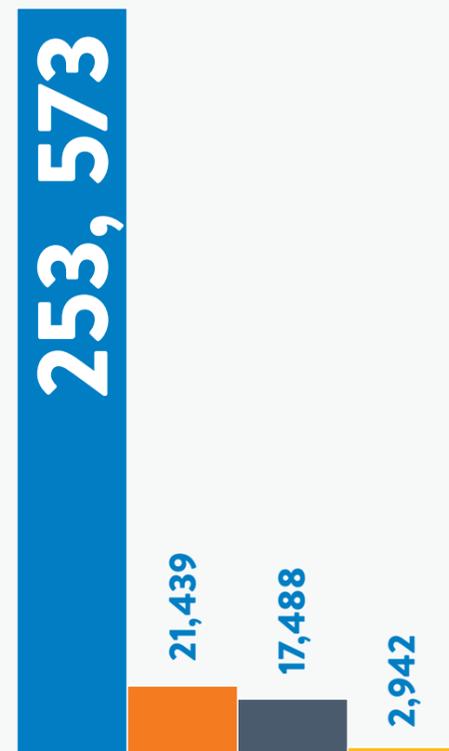
### INORGANIC RECYCLING

At Walmart, we are aware of the impact we generate using cardboard, paper, and sandpaper, primarily in the distribution packing and packaging processes. Hence, we use our logistics as a platform to achieve a circular economy. It allows us to reincorporate these materials into new value creation cycles by sending them to suppliers specializing in recycling them.

#### Inorganic recycled waste in Mexico

Tons

■ Corrugated ■ Rigid plastics ■ Playo ■ Other



In 2021, we recycled more than 295,000 tons of inorganic waste

### ORGANIC RECYCLING

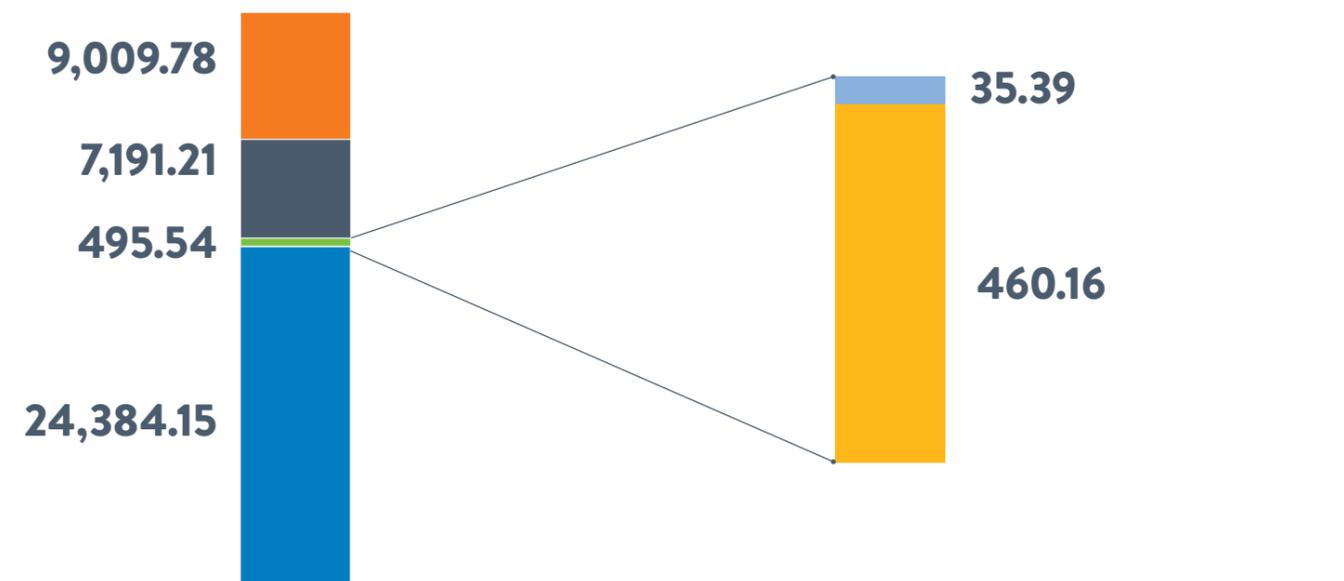
Our operation also generates organic waste, such as burned vegetable oil and meat waste in the production processes or surplus fruit, vegetables or bread in stores.

Organic products not suitable for donation are channeled to recycling. In 2021, we channeled part of the organic waste we generated to authorized suppliers for use in new value creation cycles to promote and contribute to circularity.

#### Final Destination of Organic Waste in Mexico

Tons

■ Donation to associates and food banks ■ Animal feed production ■ Compost production ■ Production of fertilizers ■ Biofuel production

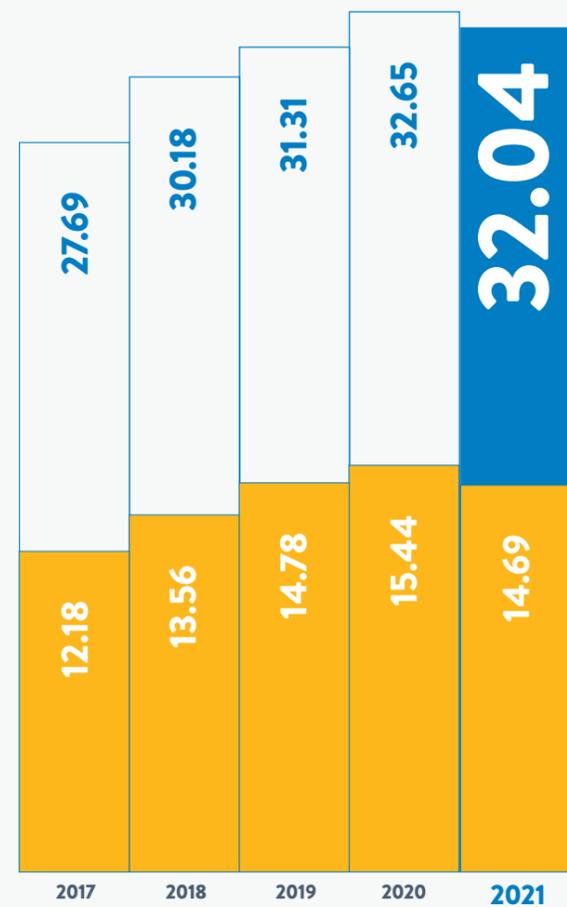




### Waste intensity (kg/m<sup>2</sup>)

Mexico and Central America

■ Sent to landfill      ■ Recycled



In order to manage our waste responsibly, we have a program for recovering recoverable waste

In 2021, we maintained our reduction trend in the intensity of waste sent to landfills. This is due primarily to the reduction in the volume of food waste generated, thanks to the Waste Committee and the operational discipline in our units, as well as to the increase in the volumes of waste that could be used through recycling, donation, compost, animal feed or resale.





### Use of recycled materials in the elaboration of elements of our stores

Use of recycled materials in the elaboration of elements of our stores.

In 2021, we incorporated elements such as bicycle racks, bumpers, rain protection grilles, and benches made with recycled materials into our stores, thus promoting circularity.



# 238 tons

total plastic waste recycled



Equivalent to:

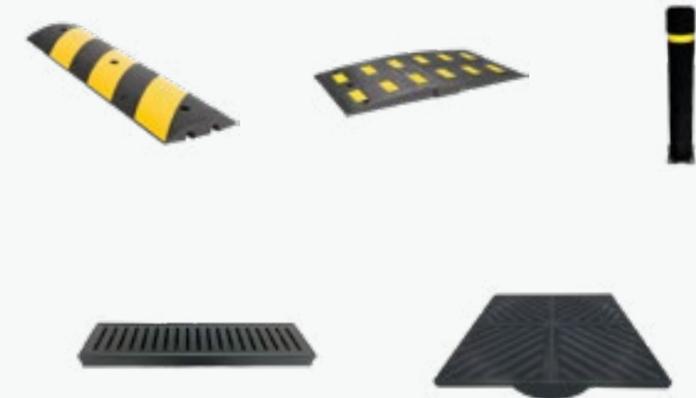


19 million bags



2 million shampoo bottles (500ml)

Transforming this waste plastic into:



Give a second useful life to single-use plastics, thus preventing them from ending up in garbage dumps or contaminating our soils, seas and rivers.





## FOOD WASTE

GRI 308: 103-1, 103-2, 103-3



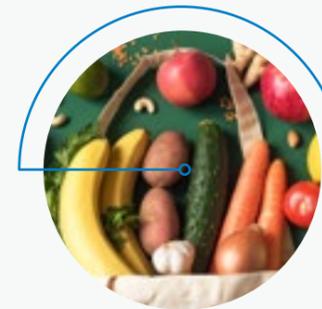
We contribute to Sustainable Development Goals 12.3, aligned by reducing our food waste in half. To achieve this, we focus on improving our inventories and maintaining our freshness promise.

We goal is to reduce food waste generation by 50% by 2025, compared to 2015

In the case that food is not sold, we seek to ensure its consumption. This year we expanded our program across the company to lower the price of certain products with expiration dates about to become effective, informing customers that the consumption must be on the same day of purchase. Likewise, we have an Associates Fruit and Bread Program through which we donate these items in the store so that our associates can complement their meals.

### Our strategy to reduce food waste graphic

**+36,000** donated to food banks in 2021



Prevent waste generation of fresh products



Food donation



Compost



Livestock food



Biodigestion

The next stage is to **ally with food banks through Walmart Mexico Foundation.**

In the case of food that is not fit for human consumption, once ullaged, there are two possible uses: compost, which can be used as a soil conditioner and animal feed. Lastly, in Central America, there are biodigester options that biologically process waste to break it down into gray water and biomass, avoiding its disposal in landfills.



## SUSTAINABLE PACKAGING

GRI 301: 103-1, 103-2, 103-3, 301-3  
SASB FB-FR-430A.4,CG-MR-410A.3

We continue to work on our ambition to operate with the least environmental impact caused by our plastics consumption and packaging. To achieve this, we work hand in hand with our suppliers, the authorities, and customers to integrate innovations to eliminate single-use plastics.



We work together with authorities at different levels of government to develop standards on the use of plastics towards a circular economy

In the case of Mexico City, we are part of the working group for the drafting of the environmental standard PROY-NADF-010-AMBT-2019 on the criteria for compostable and reusable products in response to the prohibition of single-use plastics, which was submitted to a public consultation process prior to its entry into force in 2021.

In this approach, standards have been developed for the transition to biodegradable, compostable, reusable options and the reincorporation of post-consumer recycled content.

The Plastics Committee meets once a week, and is comprised by the Operations, Marketing, Sustainability and Commercial divisions, to take action on issues relevant to the management of plastics within the company.





## PACKAGING OF PRIVATE BRANDS PRODUCTS

By 2025, we have the goal to achieve that all products of Private Brands:

Have packaging 100% recyclable, reusable or compostable

Include at least 20% post-consumer recycled content in packaging

Eliminate non-recyclable packaging content

In 2022, we will conduct a study to identify the content specifications of primary, secondary and tertiary packaging of 100% of Private Brands products catalog.

This project will mark a divide for the management of packaging in Mexico, resulting in an integral strategy that will allow us to meet the goals we set for 2025.



**45.49%** of Private Brands products' packaging are recyclable, reusable and compostable



**16%** of post-consumer recycled content in Private Brands products' packaging



## PLASTIC FOOTPRINT

Mexico

This year we set a new goal: reduce 3,000 tons of virgin plastic from our operations, eCommerce and Private Brands products by 2025, and we made great achievements:

We reduced 1,881 tons of virgin plastic compared to 2020 GRI 301-3

thanks to three main measures:



1. Elimination of some products that use virgin plastic from the sales floor.



2. Substitution of virgin plastic with other materials, for example, recycled plastic, cardboard or biobased.



3. Changes in packaging specifications in products of Private Brands, to use less material.



**62.7%** achievement towards our 2025 goal

### Some of our success stories are:



900 ml oil bottle, Aurrera

#### Measure implemented

Reduction of the bottle weight from 25 grams to 18 grams

Virgin plastic saved in 2021

**229.1 tons**



White thermal tray 2

#### Measure implemented

Substituted by 2PET tray with 99.96% recycled content reciclado

Virgin plastic saved in 2021

**123.74 tons**



Round dishwashing brush, polypropylene based

#### Measure implemented

Substituted by Great Value Terra round dishwashing brush made with 49% poly agave fibers

Virgin plastic saved in 2021

**0.7 tons**



Polystyrene forks

#### Measure implemented

Substituted by a compostable fork made with recycled polystyrene and agave fibers

Virgin plastic saved in 2021

**3.74 tons**

### Primary packaging of Private Brands products:

Tons in Mexico



**16,815 tons**

recyclable packaging



**20,069 tons**

plastic packaging



**337 tons**

post-consumer recycled content in plastic packaging



**6,211 tons**

post-consumer recycled content in packaging



## WE ENCOURAGE OUR CUSTOMERS TO PRACTICE RESPONSIBLE CONSUMPTION

We are convinced that we have a responsibility to promote responsible consumption among our customers and members. We focus on developing different initiatives to reduce the use of single-use containers through refill or bulk sales, as well as different programs to promote the recycling culture.



### COLGATE REFILL STATIONS

This year, in alliance with Colgate, we launched refill stations for its Suavitel fabric softener, with the purpose of testing customer behavior in this new way of offering their preferred products in our Bodega Aurrera and Walmart Supercenter formats.



Thanks to this pilot project, we sold **1,531 liters** of Suavitel and eliminated the use of **204 bottles**

### WE PROMOTE THE RECYCLING CULTURE

Our customers are fundamental to contributing to a responsible environmental impact. Through strategic alliances with suppliers, we have promoted programs that encourage environmental education and create spaces for the recovery of materials for sustainable use.

**253.6**

tons of waste recovered through our post-consumer programs with customers in Mexico



## RECICLAMANIÁ EVOLUCIONA

With the aim of developing the country's recycling infrastructure, as well as making recycling an agile and simple experience, companies from different industries join efforts to keep in operation 12 permanent recycling centers located in different self-service stores in Mexico City, State of Mexico, Morelos, Oaxaca, Puebla and Querétaro, which were installed in 2020.

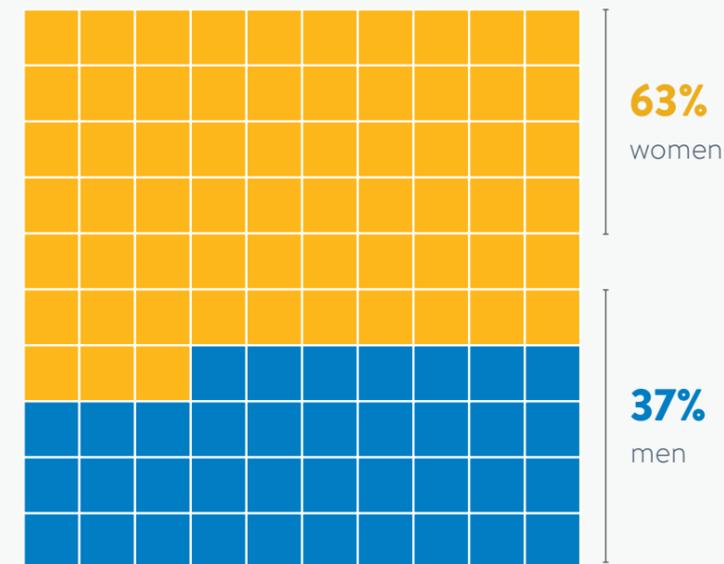


**12** recycling centers in 2021 located in 6 states that recovered 109.3 tons of waste

### Participating customers

**10,572**

participating customers



In the next five years, our goal is to double the number of recycling centers to have a presence in more states across Mexico



In addition, we have initiatives in place to recover different materials in partnership with our suppliers.

**The 2021 results are as follows:**

**Recycle the can**

**Description**

Installation of machines in a alliance with Grupo Herdez to recycle tin cans, which are then reused in wind turbines (wind energy devices) to benefit the community.

**3**

tons of waste recovered, 114,810 tin cans

**20**

machines in store

**Tree by Tree, your City Becomes Green**

**Description**

Christmas tree collection in alliance with Mexico City and Colima's governments. The trees collected are then transformed into compost for parks, gardens and forests.

**4,849**

recovered trees

**32**

recovering centers



For the first time, we developed two pilot projects to recover used vegetable oil and school uniforms from our customers, with Capullo and Vanish, respectively

**Recycle to Win**

**Description**

Installation of machines in alliance with AIEn del Norte to recycle PET and HDPE containers, which are processed to produce containers used by the same company.

**87.2**

tons of waste recovered, -9% vs 2020

**18**

machines in stores in Nuevo León

**Expired medicines**

**Description**

Collection of expired medicines in alliance with the National System of Waste Management of Medicines Packaging A.C., (SINGREM, by its acronym in Spanish) to ensure proper final disposal.

**17.6**

tons of waste recovered, -9% vs 2020

**641**

containers in 12 states

**Reverse vending machines**

**Description**

Installation of machines to recycle PET and aluminum containers in alliance with BioBox. In exchange, our customers receive a bonus through an App to pay for various services.

**3.5**

tons of waste Recovered, 157,788 containers

**8**

machines in stores

**Coffee capsules**

**Description**

Installation of containers to recover and recycle Nescafé Dolce Gusto coffee capsules. Organic waste is transformed into compost, and inorganic waste is transformed into plastic wood that will be used to develop new products in collaboration with Nestlé.

**10.9**

tons of waste recovered, +65% vs 2020

**58**

containers in stores and clubs

**Glass recycling**

**Description**

Installation of containers to recycle food-grade glass to make new bottles in collaboration with Grupo Modelo.

**22.1**

tons of waste recovered, +198% vs 2020

**14**

containers in stores





Humans obtain a wide range of services- known as ecosystem services- from natural capital, ranging from the food we eat and the water we drink, to the plants and their derivatives that we use for fuel, medicine, and construction materials.

There are also other ecosystem services that are vital for life on the planet, such as regulation of climate change and natural barriers provided by forests and jungles against floods, the billions of tons of carbon stored by swamps, crop insect pollination, among others.

Faced with the risk of overexploitation of our natural resources, which can result in biodiversity loss and vulnerability to natural disasters such as floods, droughts and hurricanes, which in turn cause famine, resource scarcity and population displacement, it is imperative that government and society take action in an efficient and coordinated way.



The size of our company carries an enormous responsibility while also allowing us to use our scale for good



As part of our aspiration to be a regenerative company by 2040, one of our goals is to help **manage, preserve and restore 20 million hectares of land and two and a half million square kilometers of ocean, globally.**

We work in our operations and supply chain to develop responsible and sustainable sourcing that reduces the environmental impact of products in the life-cycle phases where they are most significant.

We have also set commitments defining the main commodities that could face environmental risks and where we can directly influence promoting their sustainability.



## PALM OIL

GRI 308-2

Palm oil is one of the most relevant commodities regarding traceability on how deforestation is avoided. Given the high demand for this commodity, palm oil plantations can often be associated with changes in land use of jungles and forests, which can lead to erosion.

To avoid this, we are committed to sourcing 100% sustainable palm oil and palm oil by-products certified by the Roundtable on Sustainable Palm Oil (RSPO) or the Rainforest Alliance. This certification ensures the traceability of this resource throughout its entire chain of custody, from the plantation through the manufacture of the final product.



We have committed that by 2025, Private Brands products will use 100% palm oil or palm oil by-products certified from sustainable sources



**97.6%**

of palm oil is certified from sustainable sources in Mexico, from **9.3%** of the suppliers that use this raw material

**95.6%**

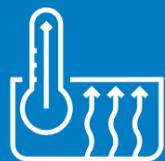
of palm oil is certified from sustainable sources in Central America, from 55.6% of the suppliers that use this raw material



## PULP, PAPER AND TIMBER

Cellulose fibers are the second commodity to be considered for the traceability of sources certified as deforestation-free. Therefore, our suppliers must have certifications from the FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forest Certification) or SFI (Sustainable Forestry Initiative). Another option we promote is the incorporation of recycled content, which we also consider to be in compliance to achieve 100% sustainable sourcing.

Expanding our ambition in this area, we have set a new goal for 2025 to use 100% certified pulp, paper or timber from sustainable sources or with recycled content in Private Brands.



### 7,169.6 tons

of greenhouse gas savings from the sustainable sourcing of pulp, paper and timber, equivalent to the emissions avoided from 305,063 recycled waste bags, diverted from landfill



In 2021, we keep compliance with our goal by achieving **99.4%** of paper, pulp and timber with recycled content or certified sustainable in Mexico, from **27.9%** of the suppliers that use this raw material, and **100%** in Central America, of the **40%** who use it



### SUSTAINABLE FISHERIES

Fish and seafood is one of the most susceptible chains to climate change risks and biodiversity loss. In particular, the challenges this category faces in the region and at a species level, make the effects that could occur at a local level impact in the global chain.

Therefore, our goal for 2025 is to ensure that 100% of our fresh and frozen fish and seafood products and canned tuna come from sustainable certified sources by Best Aquaculture Practices (BAP), Marine Stewardship Council (MSC) or equivalents, or with a Fishery Improvement Project (FIP).

#### In 2021, our fish and seafood products:

##### Mexico

# 82.2%

is certified by:

## 63.4%

Best Aquaculture Practices

## 0.2%

Marine Stewardship Council

## 35.1%

Aquaculture Stewardship Council

## 1.2%

Global GAP

**Or have a Fishery Improvement Project:**

**0.2%** is engaged in a Fishery Improvement Project (FIP)



**13%** comes from wild fishing, and the remaining 87% from aquaculture



**26%** comes from domestic fishing and 74% from international



**100%** of canned tuna is MSC certified

##### Central America

# 76.1%

is certified by:

## 83.3%

Best Aquaculture Practices y Aquaculture Stewardship Council

## 1.7%

Marine Stewardship Council

## 9.5%

Global GAP

## 0.7%

Otros

**Or have a Fishery Improvement Project:**

**4.7%** is engaged in a Fishery Improvement Project (FIP)



**13%** comes from wild fishing, and the remaining 87% from aquaculture



**32%** comes from domestic fishing and 68% from international



### MEAT

In line with our goal to become a regenerative company, we are transitioning the meat category towards its sustainable sourcing. Together with the World Wildlife Foundation (WWF), we conducted a diagnosis to understand the main material issues, risks, and stakeholders for Mexico and Central America. This represents a priority given the potential contribution of this industry, at a global level, in the reduction of emissions by driving sustainable practices and will allow us to establish a strategy in 2022.





## PRODUCTS WITH LOWER ENVIRONMENTAL IMPACT



Our link-up with suppliers and their strategies to reduce the environmental impact of products is also part of the value proposition for our customers

In the case of the organic category, we consider that this is a valuable strategy to bring products with sustainable processes as an option for our customers. Our offer includes products that went through responsible animal production methods. Such is the case of our free-range eggs and pork, where suppliers have adopted the five freedoms of animal welfare on their farms.

Our suppliers identify the products with the least environmental impact—covering the categories of organic and hydroponic, biodegradable, water or energy efficient, or with recycled content—from their communications and labeling.

**366**

products with recycled content packaging

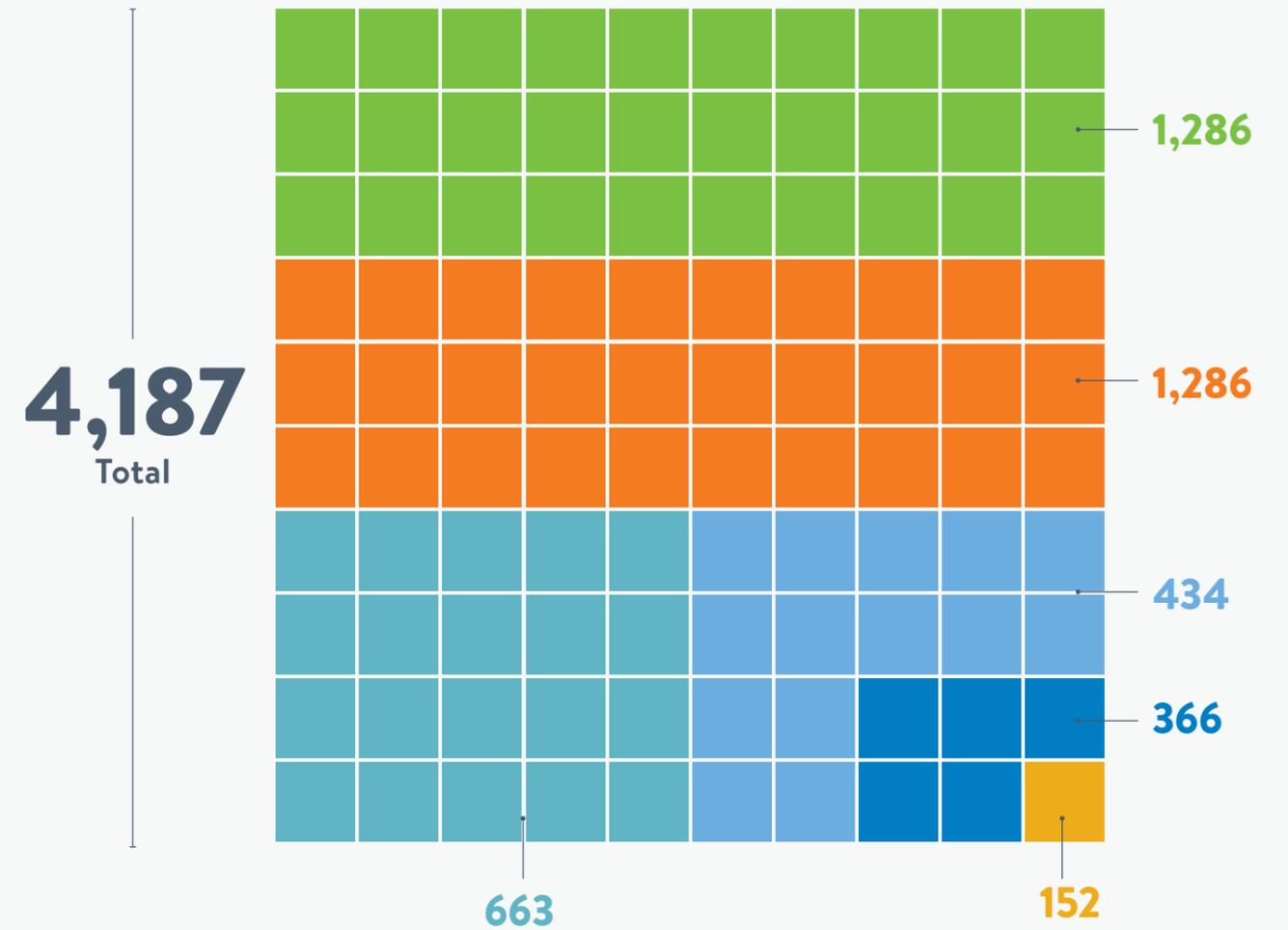
**4,187**

products with lower environmental impact



### Products with low environmental impact characteristics

- Organic and hydroponic
- Biodegradable and non-pollutant
- Other
- Water and energy efficient
- With recycled content
- Sustainable certified and cage-free





## SUSTAINABLE TEXTILES

### TEXTILES WITH RECYCLED POLYESTER

This year we developed our first project in Mexico related to the incorporation of materials with lower environmental impact in our textile products. We included fibers with recycled polyester in the composition of six models of George brand jackets for the winter season in 2021, with 44% recycled polyester.



**163,850**

PET bottles were used to made jackets

**3,000kg**

of CO<sub>2</sub>e were avoided



By 2022, we will have in our sales floor swimsuits for men and backpacks made with recycled polyester



### COTTON LEADS

As of November 2021, we have a permanent catalog in stores with garments with Cotton LEADS<sup>SM</sup> Label. This program ensures and provides traceability of the production and sustainable sourcing of cotton throughout the chain of custody.



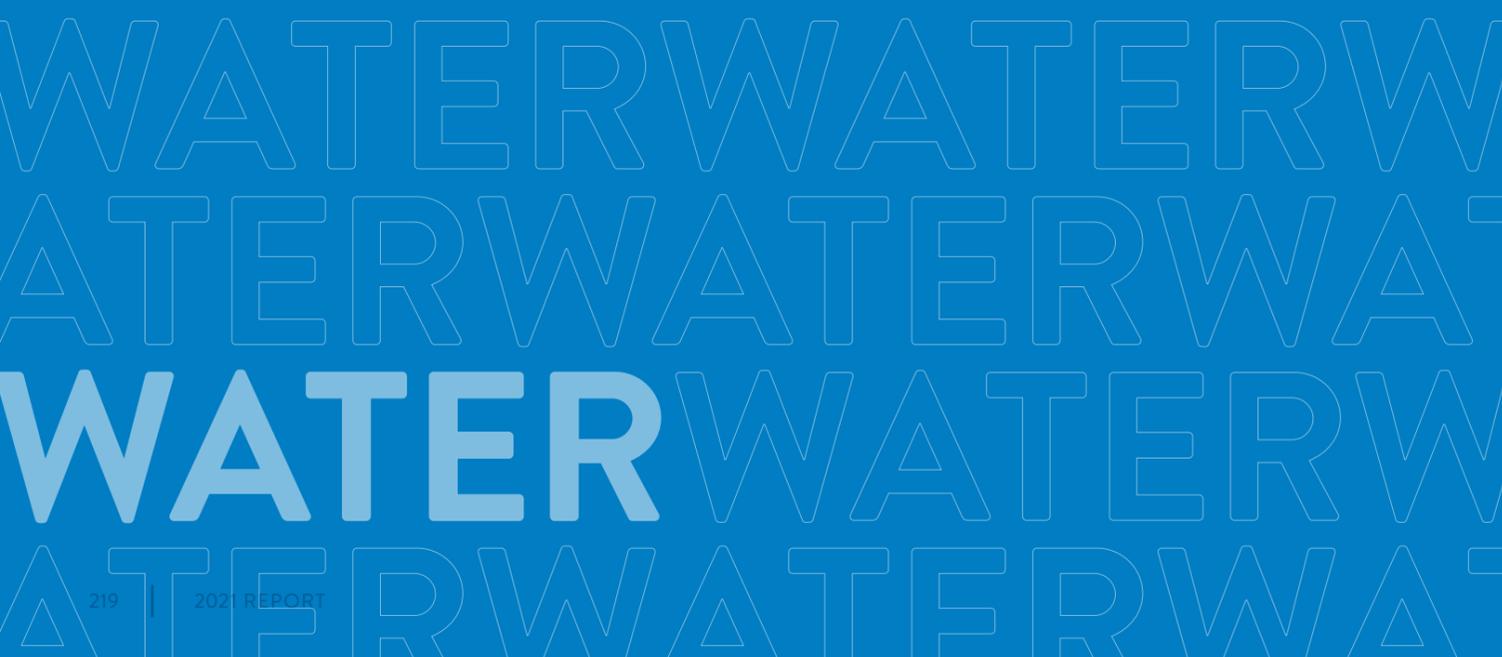
We have 48 garment models on the sales floor with Cotton LEADS<sup>SM</sup> Labels



# WATER

GRI 303: 103-1, 103-2, 103-3, 303-1, 303-2, 303-3, 303-4, 303-5, 306-1  
SASB CG-EC-130A.2, CG-EC-130A.2

We recognize that water is a fundamental resource for our operation. Therefore, managing it efficiently in a context like the one we face in Mexico and Central America is becoming increasingly relevant. It is estimated that by 2030, water stress derived from changing ecosystems and the effects of climate change could generate significant disruptions in supply chains, such as agricultural and manufacturing products.



## TOTAL WATER CONSUMPTION

**11,227,039**  
m<sup>3</sup>

**8.24%**  
well supply

**88.02%**  
municipal supply

**3.51%**  
piping supply

**0.23%**  
mall in Central America

**1,334**  
treatment plants

**1,430,210**  
m<sup>3</sup> of water reused



**Mexico**  
**856**  
treatment plants

**1,391,028m<sup>3</sup>**



**Central America**  
**478**  
treatment plants

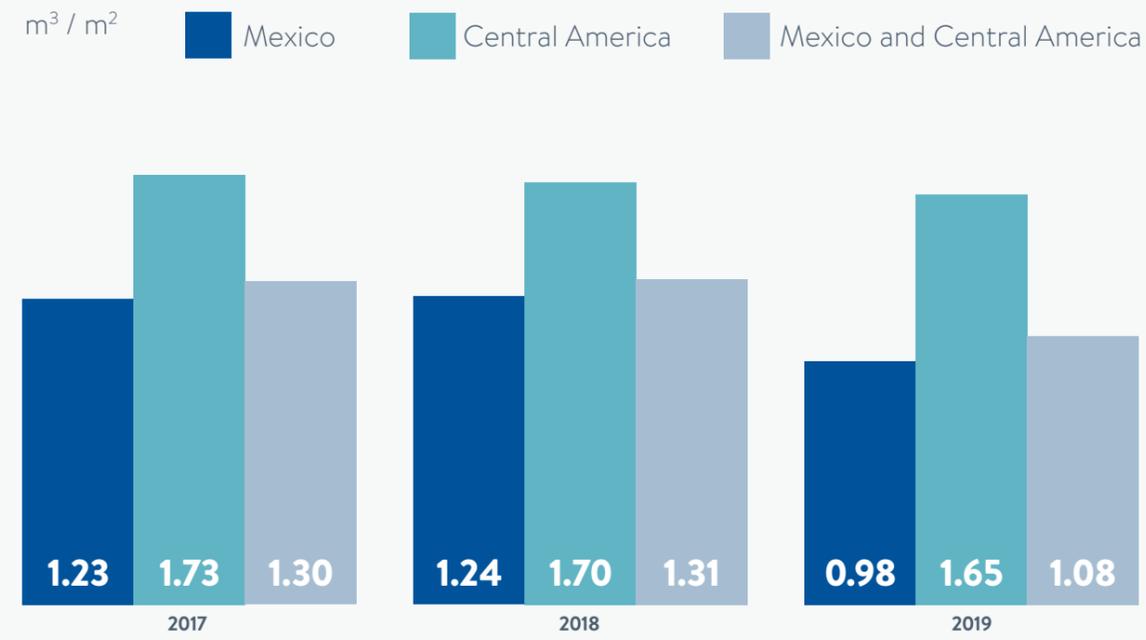
**39,182m<sup>3</sup>**



Our water management strategy is based on two elements. First, reduce the intensity of water consumption per m<sup>2</sup> of construction, separating our growth as a company from total consumption. Second, recover and recycle water through our treatment plants, especially in areas with a higher risk of water stress.

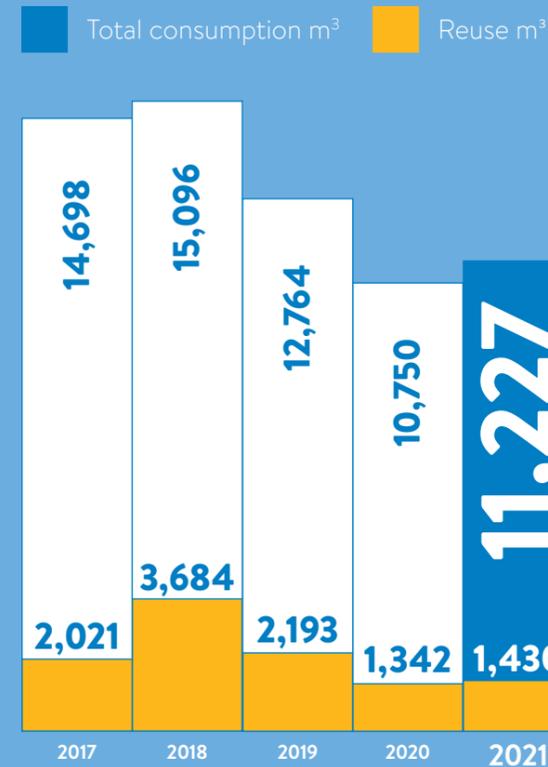
●●● All this, with a focus on operational efficiency, that allow us to continue reducing our environmental footprint in the communities where we operate

### Water consumption intensity



### Water consumption and reuse

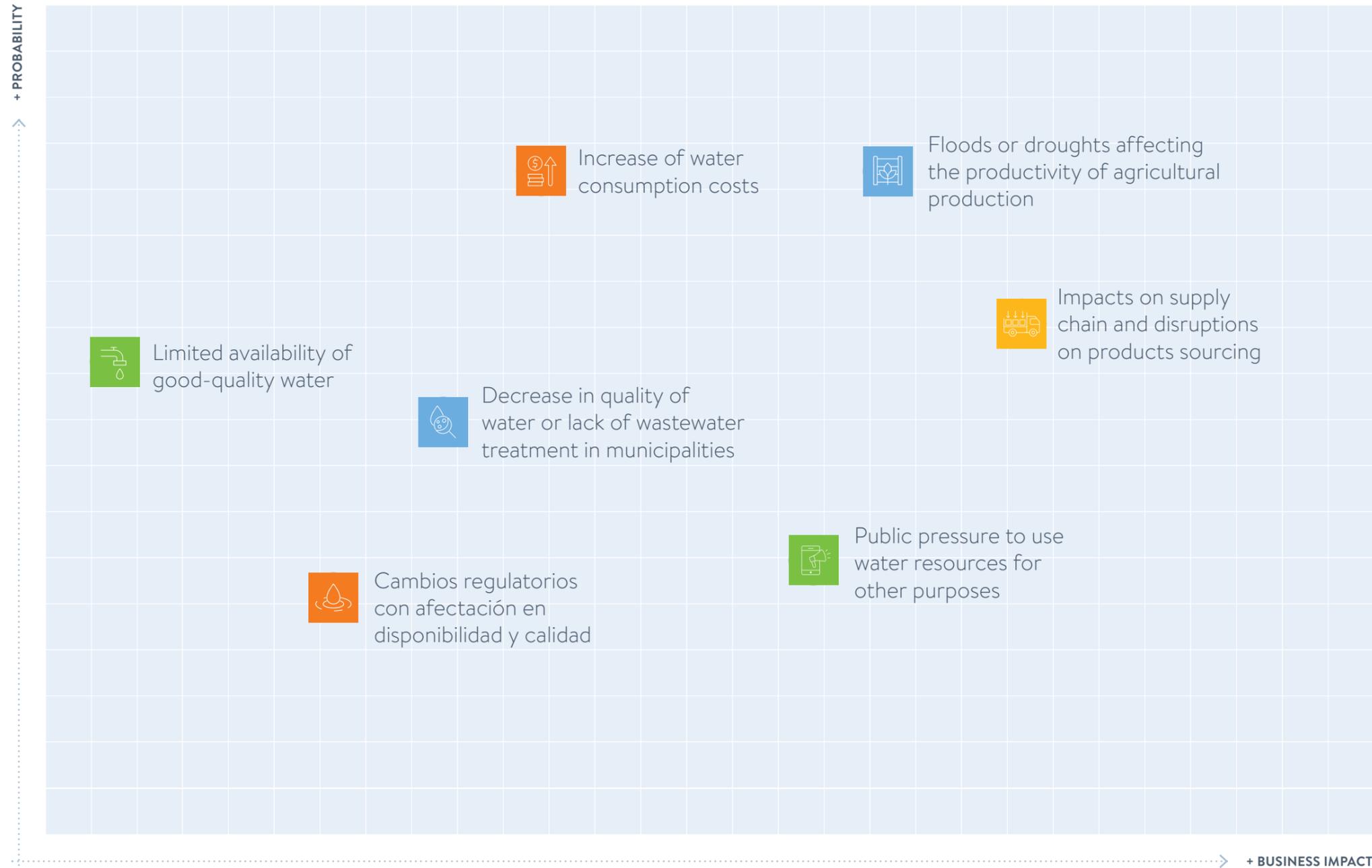
Mexico and Central America (thousands)





# WATER-RELATED RISKS IN OUR OPERATIONS

GRI 102-11, 102-15



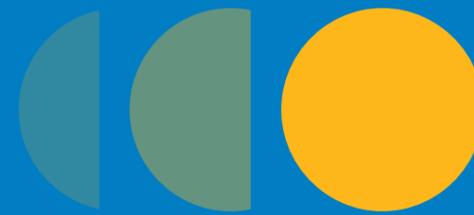
Water security risks are also relevant to our operation as they can have significant impacts in our ability to continue delivering value to our customers



## WATER-SECURITY IN OUR SUPPLY CHAIN

As our supply chain has the main impact on water security, we invite our suppliers in Mexico to report through CDP Supply Chain on this issue.

In 2021, 181 suppliers participated completing this information. 66% performed a risk analysis and 60% an opportunities analysis related to water.



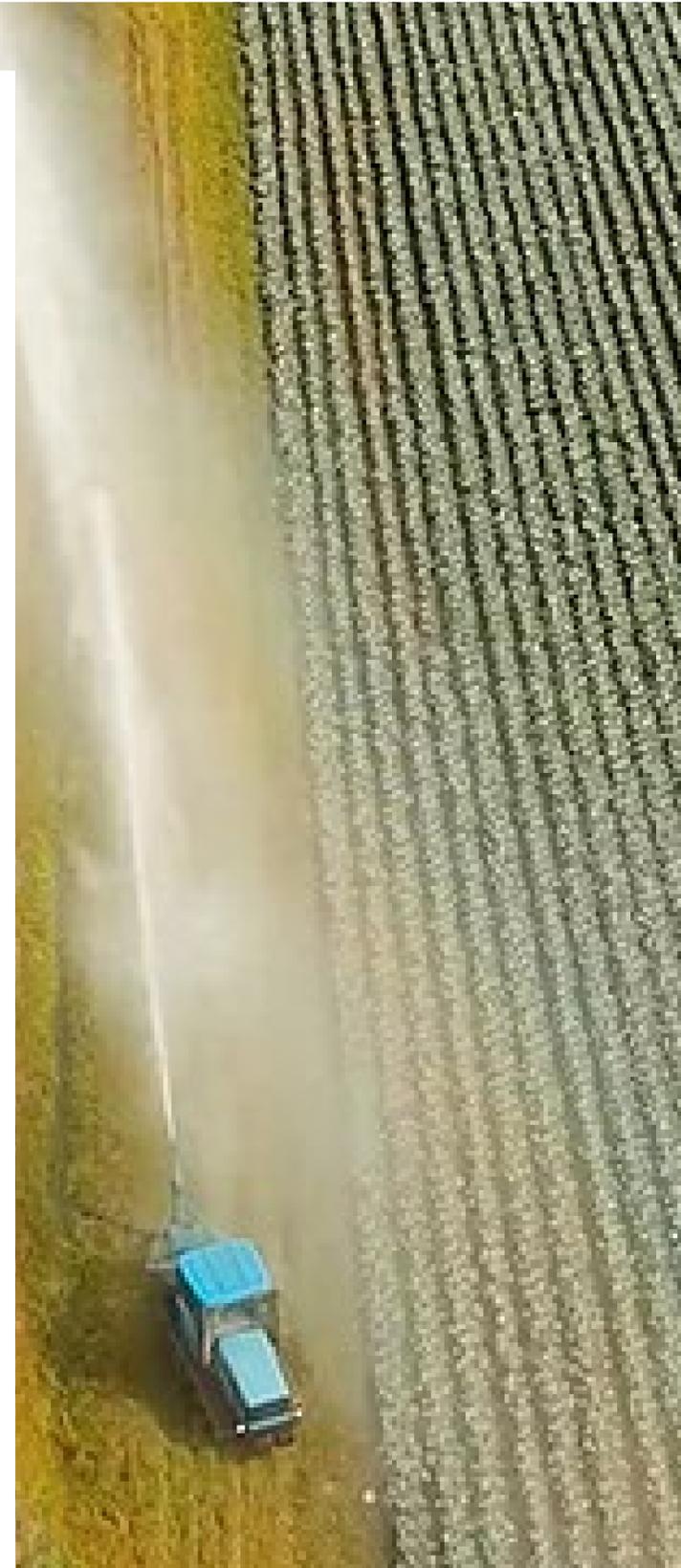
**143,112 million** pesos in costs associated with water risks in the supply chain





### Water security risks in our supply chain

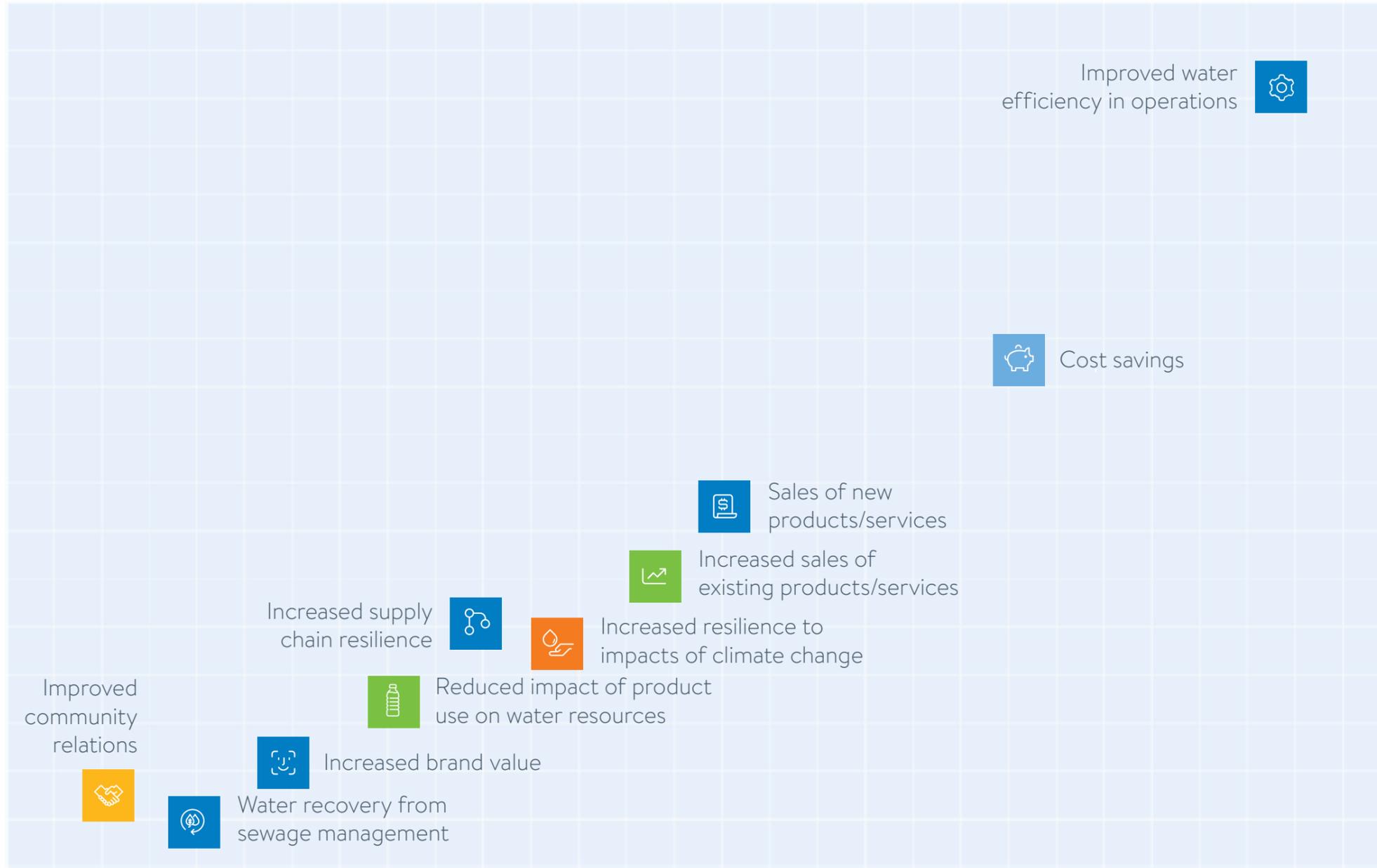
GRI 102-11  
SASB FB-FR-430A.3





### Water security opportunities in our supply chain

+ PROBABILITY



+ BUSINESS IMPACT





## UNITED FOR MEXICAN BEACHES

Mexico is one of the top 14 countries with the longest coastlines and one of the four countries with the largest area of mangroves in the world. The current situation of coastlines is critical due to pollution, destruction of ecosystems, loss of environmental services, colonization and disorderly urbanization.

Therefore, to go further and generate a specific impact in the country, in alliance with Garnier and the World Resources Institute (WRI), during September we launched in our stores an activity with the aim of raising funds for beach cleanups in the community of Ventanilla, Oaxaca, donating \$1 peso for each purchase of a skin care, hair, coloring or deodorant product of Garnier.



With these actions, it was projected to contribute to mitigating the impact of climate change by:

Reducing plastic pollution on Mexican coastlines.

Promoting nature conservation values in communities.

Adaptation by increasing resilience to climate impacts.

### The cleanup goals were:



**5 kilometers**  
of clean beaches  
in Ventanilla,  
Oaxaca



**300 habitantes**  
Ventanilla  
inhabitants  
benefited



**100kg** of plastic  
collected and  
recycled



The people living in the area will benefit from promoting business growth with companies supporting sustainability while also creating sustainable jobs



## COMMUNITIES

- Building Strong Communities
- Access to Safe and Healthy Products and Services

**1.996 billion**  
pesos channeled through  
social impact programs

**+2 million**  
of beneficiaries



WE TRANSFORM

# INITIATIVES INTO COMMUNITIES



# BUILDING STRONG COMMUNITIES



GRI 102-12, 103-1, 103-2, 103-3, 201-1, 413: 413-1

Our goal is to improve the lives of our communities in Mexico and Central America, through our community support program and offer safer and more affordable products; as well as educate and engage our customers in food safety and nutrition.



COMMUNITIES  
COMMUNITIES  
COMMUNITIES  
COMMUNITIES  
COMMUNITIES



We seek to create value in the communities where we operate, strengthening them through programs that help them prosper and providing safer, healthier, and higher-quality products and services





In 2021, 1,996 million pesos were allocated to projects that contribute to creating a positive and sustainable change in communities, through a combination of in-kind and monetary assistance



GRI 201-1

The resources invested for community development include: monetary and in-kind assistance, the talent of our associates, opening up sales floor space for small farmers, and logistics and purchasing capacities. All this enables us to create alliances with our suppliers to increase the capacity and impact of our social programs.

**2,093,085**  
beneficiaries impacted  
**1,585,034 Mexico**  
**508,051 Central America**

**+1,996**  
million pesos channeled through  
social impact programs  
**1,771,086,415 Mexico**  
**225,869,675 Central America**

**167**  
NGOs working in alliance with the  
Company to maximize the impact  
and scope of our social programs  
**127 Mexico**  
**40 Central America**



Over 36,000 tons of food donated to 134 food banks, benefiting more than 1.8 million people in the region



### FOOD SECURITY



As one of the largest retailers worldwide, our purpose is to provide people access to affordable, nutritious, and safe food products to meet the needs and preferences of all households.

The pandemic further deteriorated the situation for populations having food security issues. In addition, climate changes are exercising greater pressure on natural resources on which we depend, increasing risks associated with disasters such as droughts and floods. Many men and women in rural areas are compelled to seek opportunities in cities because they can no longer make it to the end of the month with the income produced by working their fields. The lack of food security is the cause for stunted growth in children, or that they experience learning difficulties due to severe malnutrition.

As a result, we are working together to reinforce and extend the food bank system, to improve the mechanisms that recover tons of food, and to channel this food to people who need it the most.

Donations from our stores, clubs, offices and DCs are given to food banks and different NGOs that have the capacity to efficiently distribute the food received from our units in the communities, thereby increasing the use of these food products throughout the 600 cities where we operate. The food donation network is dependent on a solid infrastructure. We have donated funds for the purchase of equipment and transportation, in addition to providing the expertise and knowledge of our associates to help the different NGOs and food banks extend their scope and impact

We also financed the construction of backyard gardens and plots for subsistence farming in rural areas. This program promotes sustainable nutrition, an increase in available income, the empowerment of women, and it also builds a capacity-development platform for farming.

**30,417**  
tons of food donated  
Mexico

**5,909**  
tons of food donated  
Central America





## SUPPORTING COMMUNITIES 2021

The Walmart Mexico Foundation, with the mission of creating programs that foster development and the quality of life for Mexican families, launched a call to “**Supporting Communities 2021**”, whose purpose is to assist NGOs with projects that combat hunger, promote production activities, and improve labor inclusion in rural and urban areas with vulnerable groups.

During the receiving phase, over 300 projects were registered and of which, after close analysis, 43 were chosen and financed. These projects focus on ensuring food and nutrition for the families who need it most, through self-sustainable initiatives

### Among the projects financed are the following NGOs:



*APAC, I.A.P. Asociación Pro-Personas con Parálisis Cerebral (Association in Favor of People with Cerebral Palsy) to help the APAC bakery, which assist people with disabilities*



*Fondo para la Paz (Peace Fund) to ensure food for 84 households, providing help with green stoves, and with the raising of backyard poultry in the Zongolica mountainside*



*Patronato Pro Zona Mazahua, A. C. (Pro Mazahua Board of Trustees) to help Mayan families, in the state of Quintana Roo, develop skills for the proper use of farming and livestock infrastructure in producing crops in a clean and safe way.*



Through this program, as of 2003, the Walmart Mexico Foundation has channeled over \$10 billion pesos to rural and urban communities throughout Mexico



## MAKE MAGIC 2021

Make Magic, a campaign conducted this year to benefit Mexican families who live in vulnerable conditions. For every \$5 pesos our associates, customers, and members donated at the cashiers in our stores, clubs and eCommerce businesses, the Walmart Mexico Foundation matched with the same amount so thousands of families could receive a Christmas dinner or gift.



Some **4,000** people were benefited by these actions, in alliance with *Alimento Para Todos I.A.P.* (Food for Everyone)

Visit our website and learn much more about our efforts at [Haz Magia.com](https://www.hazmagia.com)





## COLLECTIVE FOOD IMPACT CENTRAL AMERICA

Since 2020 and stemming from the pandemic, at Walmart Central American we designed the Collect Food Impact campaign. It consisted of inviting our suppliers to join efforts in delivering in-kind donations to foodbanks in the region because of the increased demand in requests for assistance from the hundreds of households affected by the pandemic.

During its 2<sup>nd</sup> edition, this year the campaign was able to gather 55 suppliers in the region who delivered approximately 121,866 kilos in product donations, benefiting over 142,601 Central Americans.

### Increase

	2020	2021	Rate of Increase
Strategic partners	36	55	53%
Kilos	66,941	121,866	82%
Amount \$	3,268,300	4,410,499	35%



The donations, valued at 4 millions, not only surpassed the impact in 2020, but also represented considerable additional support for the foodbanks and their beneficiaries, in addition to further reinforcing our relationship with suppliers regarding social matters





As a result of our extensive presence in the region, during the onset of any natural disaster we are able to provide support almost immediately through product donations and supply chain operations. In addition to assistance efforts, we also mobilize our associates to either help with the delivery of food, cleaning products, and medications, or to lend a hand with precise joint actions together with civic organizations and the local authorities.

Our Center for Operation Continuity (COC) and planning and operation practices enable timely identification, assessment, and classification of natural disasters and safety issues that affect our operations, associates and/or the communities we serve.



## DISASTER RELIEF

Walmart de México y Centroamérica has always helped communities during natural disasters. However, the frequency of these events has always compelled us to leverage our strengths more efficiently to support assistance efforts after these disasters.

The primary objective of our program is to invest in improving complete systems, starting with preventive measures that enable us to enhance the response capacity at the precise moment. These investments also support efforts that help communities to develop greater resilience and respond more rapidly and effectively during any disaster.





In 2021 we channeled 232 tons of assistance



The COC, which operates 24/7, identifies emerging risks, helps facilities and associates to prepare for natural disasters, monitors crisis, and serves as a point of classification for emergencies in our stores and offices. This Center activates multifunctional teams companywide so they may prepare and respond quickly and efficiently to disasters. The primary team includes experts in emergency management, who regularly provide training for our associates.

During disasters we use a series of internal resources, including portable generators, fuel resources, trucks, and support from our associates who can help to manage our corporate response to crisis in the field. With the efforts of the COC, who coordinate with local, state, and federal government agencies, and with not-for-profit organizations and volunteers from around the world, we determine the support strategies to employ in local communities during the disaster at hand.



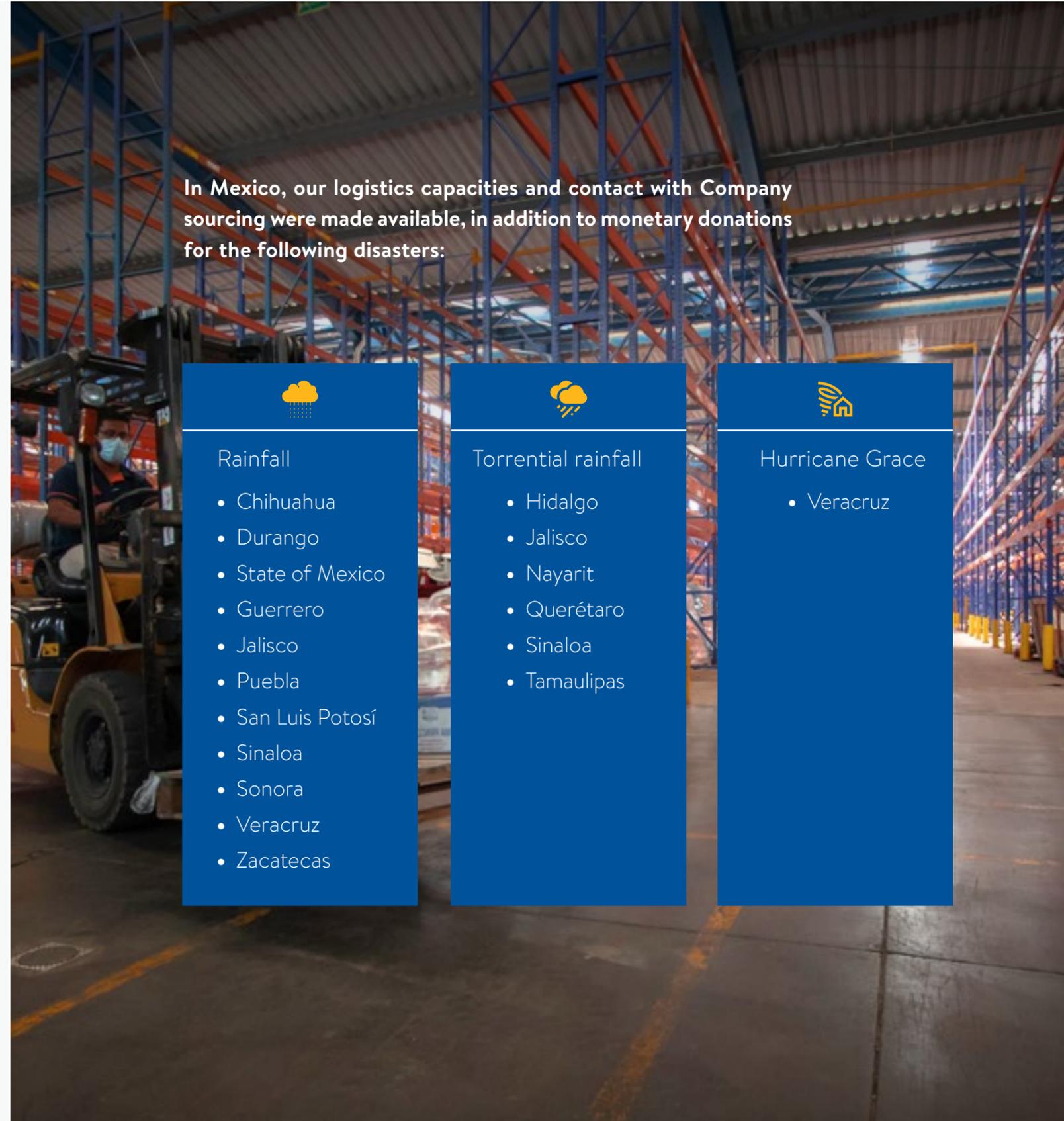
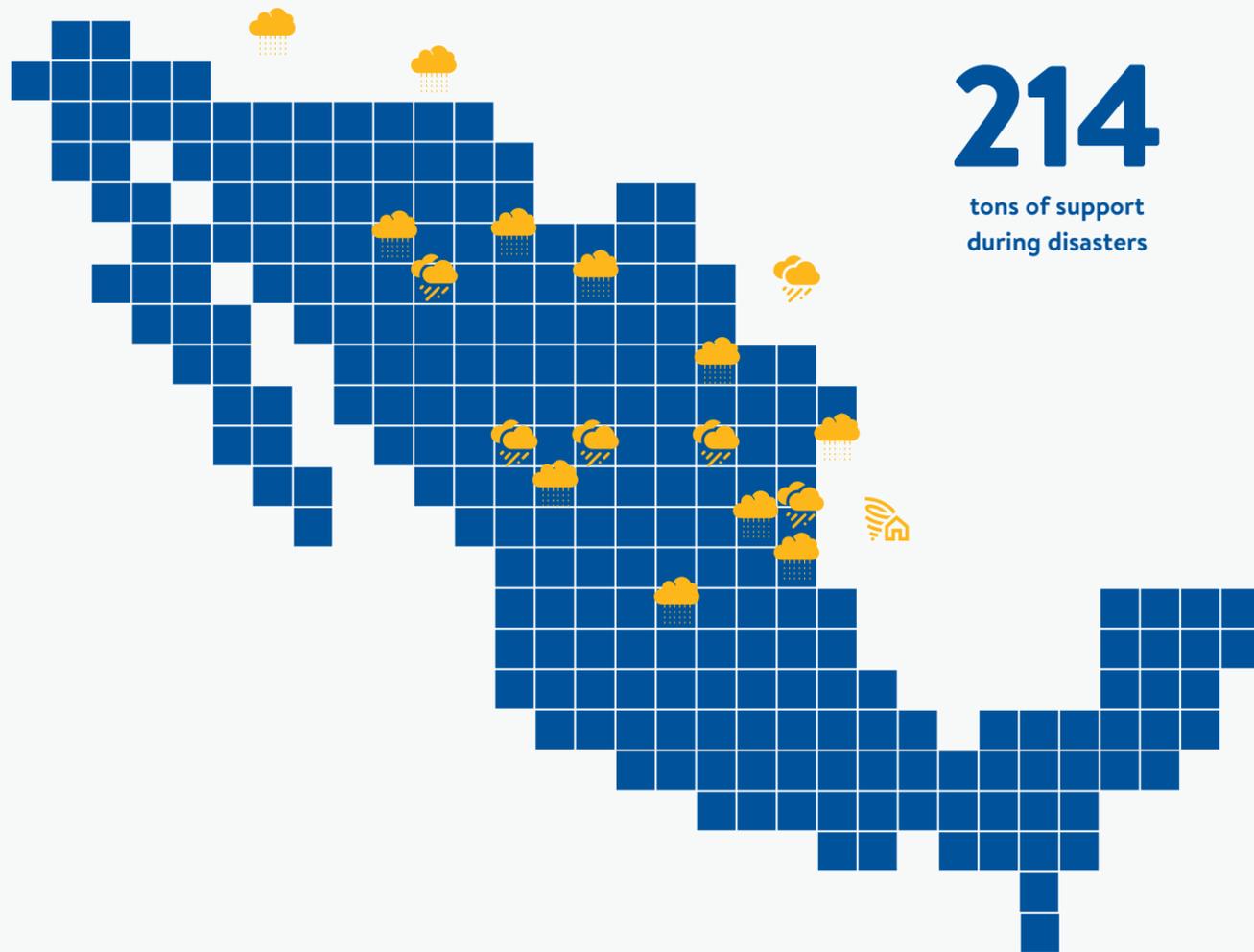
Moreover, through our infrastructure, the capabilities of the Mexican Red Cross, and the revolving fund we have in effect for humanitarian assistance, within 24 hours of a disaster we have been able to render support to different communities in Mexico that have been left homeless. This support is possible through donations of food and cleaning and personal hygiene products.



In Central America there was a natural disaster in Turrialba, Costa Rica and our response included in-kind donations of 18 tons of food, hygiene, personal care and baby products, among other basic commodities



Supported in 11 natural disasters in 15 states in Mexico



In Mexico, our logistics capacities and contact with Company sourcing were made available, in addition to monetary donations for the following disasters:



Rainfall

- Chihuahua
- Durango
- State of Mexico
- Guerrero
- Jalisco
- Puebla
- San Luis Potosí
- Sinaloa
- Sonora
- Veracruz
- Zacatecas



Torrential rainfall

- Hidalgo
- Jalisco
- Nayarit
- Querétaro
- Sinaloa
- Tamaulipas



Hurricane Grace

- Veracruz



## VOLUNTEERISM



Ever since we began our volunteerism program in 2003, we have been able to confirm how important it is to awaken a sense of solidarity among people. Through this program, our associates have a great opportunity to participate in community and environmental improvement programs with their time and talent, promoting civic mindedness and a commitment to the community.



### MEXICO

Due to COVID-related confinement, in 2020 we paused a large part of our volunteerism activities, and in view of its prolonged necessity into 2021, digital volunteerism was designed with the purpose of resume volunteer work where the associate and his/her health is at the heart of everything.

Two activities involving the participation of 335 associate volunteers were put into effect for reading and selection of projects from the call “Supporting the Community 2021”; their participation contributed to the selection of projects geared to combating hunger, developing production activities, and Labor Inclusion, which benefited 12,710 people in vulnerable communities. In addition, within the Inclusive Agriculture Forum: “10 years of connecting Mexican farmers with you” our associates and outside volunteers participated as a panel of judges in selecting projects proposed by young farmers, achieving the participation of 44 volunteers.



### CENTRAL AMERICA

As a result of the pandemic, massive volunteerism activities were suspended in 2021, in adherence to regulations set forth by each of the countries, and in keeping with our own internal protection measures for our associates.

In Costa Rica, coordinated with the departments of Operation and Human Safety, a series of volunteer activities in support of vaccination campaigns by the Secretary of Health were approved.

The vaccination campaigns conducted in areas donated within Walmart units included the efforts of 115 volunteers and benefited over 34,000 Costa Ricans.



# ACCESS TO SAFE AND HEALTHY PRODUCTS AND SERVICES

Offering safer, healthier and more affordable foods and other products is fundamental for our mission: help people save money and live better. Our efforts include policies, standards and practices to keep the safety and quality of our assortment, while involving our customers and working with other members of the industry to offer consumer education and food and product safety.



ACCESS ACCESS  
ESS ACCESS ACCO  
ACCESS ACCESS  
CESS ACCESS SAC



As the most trustworthy omnichannel chain, we also focus on transforming our communities by offering every day a new essential service ecosystem, looking forward to helping them prosper



## TRUSTABLE PRODUCTS

GRI 416: 103-1, 103-2, 103-3  
SASB FB-FR-260A.2

One of the ways to meet our purpose of helping people save money and live better is by offering private label products with high added value that meet the needs of our customers. In addition, these products are aligned with our global initiatives in matters concerning regeneration, shared value, sustainability, and food safety, among others.

Product categories meant to offer items that adapt to the specific needs of our customers, such as overweight, diabetes, gluten intolerance, or general care are carefully evaluated to ensure compliance with statements that properly communicate their features. These types of items include those that are low in fats, sugar-free, gluten-free, and organic.

Baby food items have no added sugars, starches or artificial ingredients, so we can offer products for early stages of nourishment that are 100% natural and even fortified, thereby suitable for each stage of early development.

### We continue increasing healthy and nutritional products that are:

Gluten-free



Sugar-free



Organic



Zero trans fats



Low in sodium



Our specialized team for responsible marketing communication ensures that we offer complete transparency regarding the nutritional content of our products, in addition to product innovation and nutritional profiles that include reduced salt, sodium, fat and sugar content, among others



## MEXICO GET WELL

We have joined Mexico Get Well, a Consumer Goods Forum initiative that began in 2019, comprising 12 market leaders in consumer products. The purpose of the initiative is to promote among customers the importance of making conscious purchasing decisions that allow them to adopt healthy lifestyles.

Due to the situation experienced since last year, and with the purpose of continued contribution towards a healthy society, Mexico Get Well became a digital platform that provides information, tools, and resources that contribute to their daily life and that of their families.

On the website [www.mexicopontebien.com](http://www.mexicopontebien.com), consumers can find monthly information on subjects as varied as nutritional education, personal hygiene, home care, and an active lifestyle. This is accompanied by publications in social media pertaining to the initiative itself and participating companies.

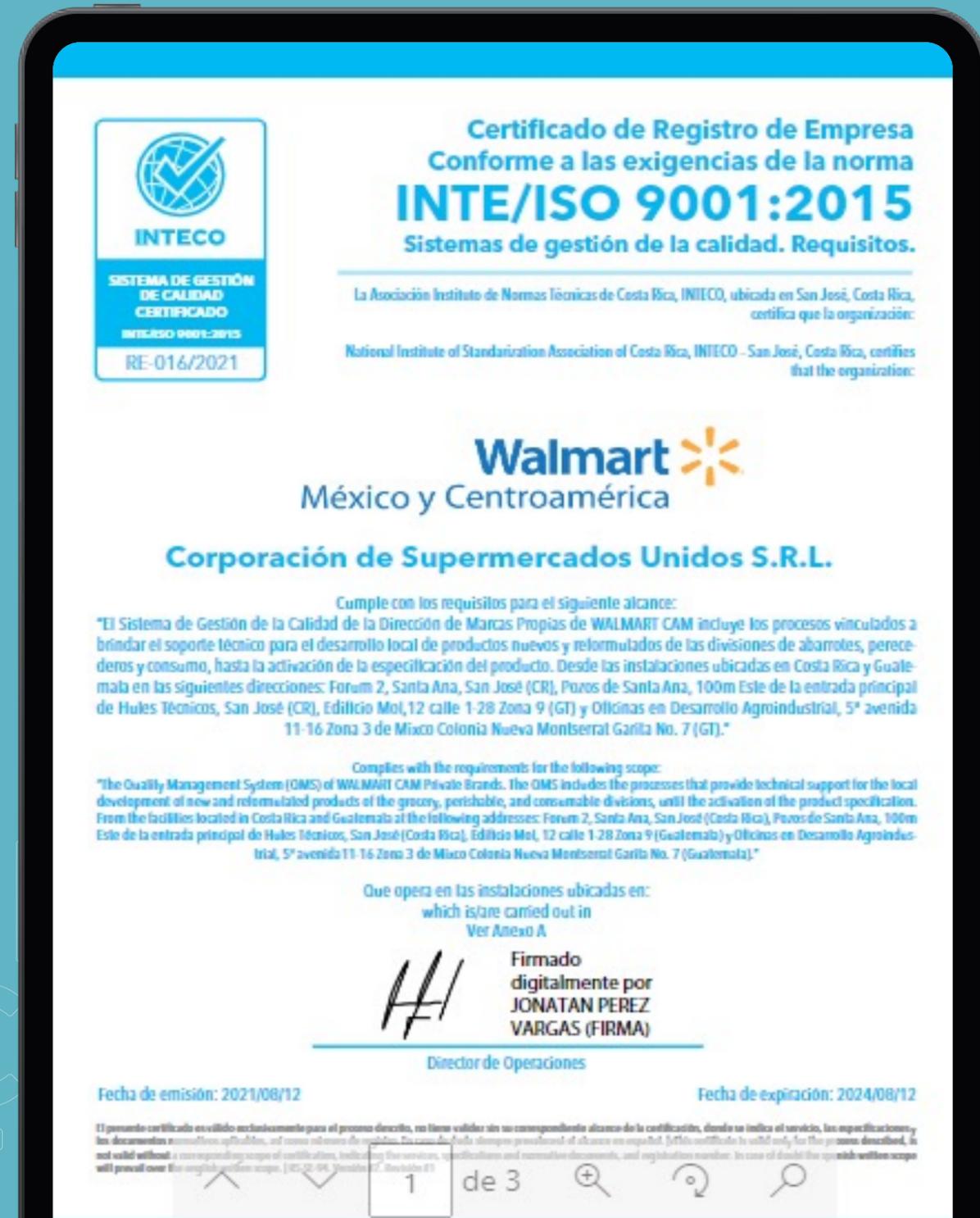
Through collaborative projects stemming from basic themes -an active lifestyle, nutrition, and healthy habits- we seek to make contributions so people may improve their lifestyles, by disseminating relevant information on balanced meals, portion sizes, adopting personal care habits, health and hygiene, and by promoting ideas on maintaining an everyday active lifestyle.



### ISO 9001:2015 CERTIFICATION

In Central America in 2021, keeping the focus on our customers, the team for Private Brands Quality and Research and Development became certified under the ISO 9001:2015 standard

This historical achievement makes Walmart Central America the first Walmart market to obtain this certification in quality for private labels. With this certification we can guarantee strict controls during the development of new and reformulated products, while ensuring that Private Brands comply with top quality standards.





## CONSUMER PROTECTION

GRI 103-1, 103-2, 103-3, 416-1

We are committed to fully comply with all consumer protection laws and regulations where we operate, and to provide clear and accurate information on our products and services.

Our Consumer Protection program serves to implement different processes that ensure meeting this commitment. The Company employs review processes for new advertising material, with the purpose of offering the necessary elements for good decision-making by our customers.

Each year we conduct a communication and training program for our store, club, and staff associates who prepare information, advertising and/or promotions so it may be clearer, truthful, and in adherence to requirements established under applicable legislation.

Moreover, both staff and operations personnel received reinforcement through communication and training on the rules and best practices with the aim to prevent sanctions from the authorities and to ensure customer satisfaction.

This program outlines the particular guidelines for product categories having specific rules such as alcoholic beverages and prepackaged food products. In addition, new associates and transfers received training in key subjects on consumer protection relevant to their activities, such as prices, promotions, labeling and supply.

All our units have scale calibration processes, as well as procedures on product returns that adhere to applicable legislation, and which strive to generate a satisfactory shopping experience. Our eCommerce, Trust and Safety program monitors that our product information is in fact correct and that we do not sell products banned by applicable legislation and/or internal Company policies. These include products deemed offensive, discriminatory, or containing inappropriate language.



Available both in our units as well as on our eCommerce sites, we have different channels aimed at providing support and advice for our consumers, either for making orders, following up on their orders, or to resolve complaints. We provide our customers with telephone numbers so they may call if they have any complaints or additional questions, as well as other mechanisms they can use on social media.



We keep customer loyalty through the development and effective implementation of Company policies, programs and processes

Our suppliers must comply with all consumer protection laws and regulations, as follows:

- Investigate and evaluate sales conditions to better understand how they apply to the products they sell and ensure full compliance
- Ensure that all label content and products listed on websites are clear, accurate, and do not mislead customers
- State only what is true and verifiable on product labels and regarding products listed on websites, as well as to provide necessary support when requested
- Include legal warnings or liability exceptions, product information, guarantees, registration and instructions
- Meet all requirements for product creation, addition and display both in brick-and-mortar units as well as online



Please go to our chapter **ETHICS AND INTEGRITY** to learn more about Consumer Protection initiatives.



MORE THAN A

# DECISION

IT'S ACTING WITH

# INTEGRITY



## ETHICS AND INTEGRITY

- Ethics and Compliance
- Information Security
- Digital Citizenship
- Risk Assessment
- Human Rights
- Corporate Governance

**33,821**  
associates completed  
**anticorruption** training

**52,304**  
hours of training on our  
**Code of Conduct**





# ETHICS AND INTEGRITY



Walmart de México y Centroamérica remembers every day that our results are not only about what we achieve, but how we achieve them

The way in which we operate our business is as important as the products we sell and the services we provide. This means full compliance with the laws of the countries where we do business.

Our actions are a reflection of our commitment to integrity. From ensuring that the food and products we sell are safe; to the ethical and responsible use of technology and data; and to investigating the concerns posed by our customers, associates, and our stakeholders.





# ETHICS AND COMPLIANCE

GRI 419: 103-1,103-2,103-3, 419-1  
SASB FB-FR-310A.4, CG-MR-310A.3, CG-MR-330A.2, FB-FR-310A.3



As we progress in our business model, we develop various controls and rules that allow us to anticipate any situation so we can react ethically and comply with the law and internal policies



To accomplish our goal of contributing to be the most trusted omnichannel for our stakeholders, each year we continue reinforcing our Ethics and Compliance model



Based on this program, we can comply with the law and our internal policies and procedures.

To provide our associates with a clear guideline they must follow to act correctly and in accordance with the company's fundamental values and principles, our Ethics and Compliance program encompasses six basic components: leadership, monitoring and response, training, risk assessment, standards and controls and awareness.

**Basic components of the Ethics and Compliance program**

**Leadership**

We evaluate and assess the right leaders for each component of the program

**Risk assessment**

These leaders conduct an assessment of the company's risks and measures to manage them

**Standards and controls**

The results of that assessment inform the continued development of our standards and controls

**Awareness**

We make associates aware of these standards and controls

**Training**

We provide training to associates on how to implement and use these standards and controls

**Monitoring and response**

We continually monitor and assess program performance to provide indicators that help make informed decisions



### CONTINUOUS IMPROVEMENT

We monitor compliance with laws, regulations, standards, controls, and initiatives throughout the business. In addition, we track key metrics and we have continuous improvement teams who actively and regularly supervise our facilities to determine the degree of compliance regarding protocols, and to test the efficacy of different programs and initiatives.



During 2021, we performed a total of 6,584 physical or virtual safety monitoring in Mexico and Central America, as follows:

**Mexico:** **3,335**  
monitoring of different Compliance programs in operating units

**215**  
grand openings

**1,454**  
pharmacies

**92**  
units remodeled

**39**  
COVID-19 tents



**Central America:** **554**  
total monitoring conducted

#### Monitoring campaigns:

**357**  
Treatment Plants

**91**  
Food safety

**78**  
Pest control

#### Visits

**28**  
for grand openings

**42**  
for remodeling

**25**  
for major maintenance

**59**  
for surveying

**215**  
for mitigation and projects



To provide the proper accompaniment to all our associates regarding the performance of said program, in Mexico we have a Vice President for Ethics and Compliance in Mexico, and a Director in Central America, both in charge of a team of over 370 associates dedicated to this subject.

**The areas included in the Ethics and Compliance program are:**



Likewise, we work on risk identification and mitigation by issuing of global and local standards and procedures; sharing best practices; offering training; monitoring; and providing technical support

 Health & Safety	 Ethics	 Anticorruption	 Food Safety	 Privacy
 Environmental	 Health and Wellness	 Prevention of Money Laundering	 Licenses and Permits	 Product Safety
 Labor and Employment	 Trade	 Antitrust	 Responsible Sourcing	 Consumer Protection



## HEALTH & SAFETY

GRI 403: 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10, 416: 103-1, 103-2, 103-3

Our guard was not lowered in 2021, regarding the COVID-19 pandemic. Protection processes and measures remained enforced to protect the health and safety of our customers and associates.

Throughout 2021, some 219 safety protocols for COVID-19 were applied in Mexico and Central America

In keeping with our mission of being the safest company for shopping and working, we reinforced our Zero Accidents program, through which the following results were achieved throughout 2021:



# 163,138

trained associates

# 5,727

associates form part of the Commission on Safety and Hygiene

# 283,504

trainings

### Reduction in the number of fire outbreaks

**12.5%**  
Mexico

**15%**  
Central America



A comprehensive safety program will be implemented in 2022, encompassing several initiatives based on leadership, with the purpose of reinforcing the safety culture as part of the pillars of the company, and which shall be tailored to the needs and conditions of each format, allowing us to considerably reduce our incident rate.

We are committed to day after day updates, conducting constant reviews of our protocols, learning from detected findings, reinforcing our mitigation measures and the content of our materials, making them more robust, focusing on the causes of the more common incidents, attacking the root causes, incorporating overall actions aimed at mitigating unsafe actions to offer safe facilities to our customers, and supplying our associates with the tools, materials and training needed to perform their duties.

- For the sixth consecutive year, associate accidents were reduced by double digit numbers
- We also achieved double-digit reduction in the number of internal and external fire outbreaks

As a result of the proper application of our safety controls and measures, there was a 10.3% reduction in the overall accident rate for associates, and 11.3% in severe injuries for associates in Mexico

**KPIs for Associate Sick Leave and Accidents**

	Mexico			Central America		
	2019	2020	2021	2019	2020	2021
Days of sick leave	67,277	61,776	<b>57,433</b>	19,471	9,300	<b>10,784</b>
Work-related injuries	7,192	5,811	<b>5,464</b>	999	768	<b>718</b>
Disabling injuries per hours worked*	2.57	2.18	<b>1.96</b>	2.11	1.64	<b>1.56</b>
Customer accidents	942	651	<b>776</b>	216	156	<b>168</b>

\*Disabling injuries per hours worked = Disabling injuries\* (200,000)/ Total hours worked



We developed One-Point Lessons (LUPs per it's acronym in spanish) to communicate visually and clearer the best way to conduct safe operations



These LUPs explain guidelines and controls such as: safe unloading, safe use of machinery, standards for the use of ladders, hazardous-duty permits, a manual for contractors, among others

As part of the continuous improvement process, our associates receive constant training and effective communication, allowing them to respond immediately to any situation that could jeopardize their safety; by the same token, we reinforce the use of personal protection equipment, which is indispensable for certain positions.





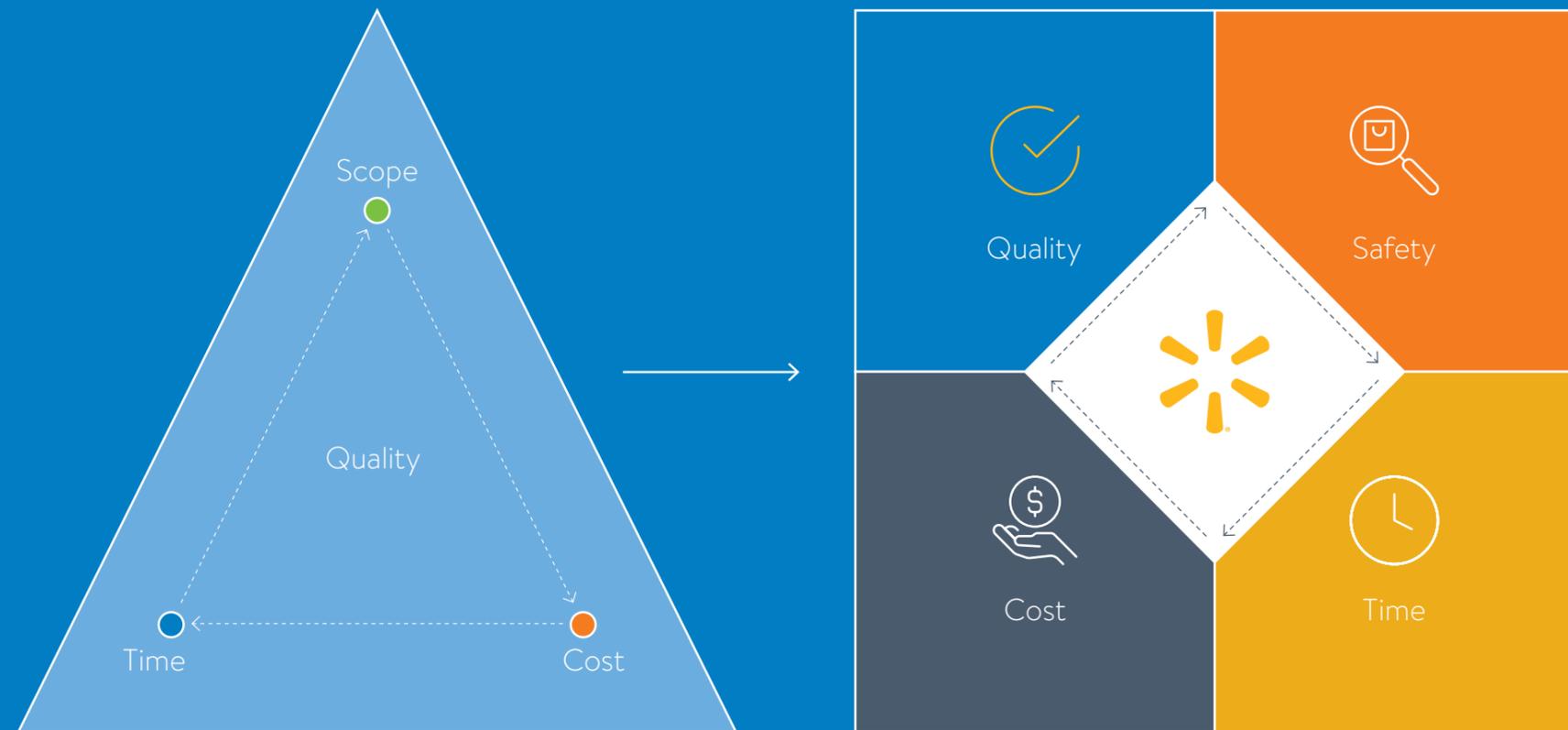
**In 2021, the following actions were performed:**

- Weekly safety meetings were held with our suppliers, requesting that the ten suppliers with the highest accident rates and projects underway present two annual action plans; one for the company and one for their construction projects
- 7610 contractors trained
- 1604 safety inspections conducted

Likewise, construction and remodeling contractors have safety clauses in their contracts, listing the type of sanction for the error and seriousness of the accident, throughout the term of the contract. This program is being extended to include contractors for maintenance, special projects and design.



Our management vision is migrating from a triangle to a diamond shape, in which we incorporate safety as a complementary pillar





### SAFE FAMILY PROGRAM

As of 2020, In keeping with our commitment to maintain workplace environments safe and free of accidents, in Central America we launched our Safe Family awareness campaign, where we pursue an increased sense of ownership regarding personal safety for our associates and customers.

To reinforce this, in 2021 we implemented the Safety Program Based on Behaviors in 100% of our units, including stores, plants and DCs. Observers in each of our workplaces were trained for greater awareness; online observations were created; and behavior control and conditions logs are generated in real time. In this manner the units can continuously check trends and leverage strategic actions for specific jobs being performed.

In addition, we reinforced the 10 rules of specific safety measures for each business unit. The basis of this program is to observe and correct unsafe behaviors, focusing primarily on the six basic causes for accidents in the region. There is an app that enables units to easily detect unsafe behaviors, with an automated observation control record so the units can have real-time information and be able to make better prevention-based decisions.



This year we worked directly with Operations to ensure the implementation of actions through; structural champions in each format and country. Weekly follow-up sessions were held by country, and every two weeks by region, thereby achieving the active involvement of the operation. Specific forums were organized to discuss safety issues, reinforcing the message from top leadership levels. All virtual and in-person visits underscored safety-related subjects to thereby create a culture aimed at prevention.

We continue to strive for new and better ways of generating greater added value for our operations, eliminating or mitigating risk conditions. This year, the Health and Safety team for the region continued with implementation of improvements to projects for Safe Unloading, safety in gondolas and racks. Structural analysis in stores was added, as well as the evaluation of flood risks, creating control and improvement measures according to the severity of the risks.



In 2021, we implemented a process to develop a culture reinforcement program through recognition, and individual and collective certificates, which will be officially launched in February 2022





## ETHICS

GRI 410:103-1, 103-2, 103-3, 410-1

Acting in accordance with our purpose and principles requires that all decisions be governed by a culture of integrity.

In 2021, our Code of Conduct was launched, thus replacing the Statement of Ethics. This new code is a reflection of who we are as a company and displays how we put our culture of integrity into practice every day at work.

This replacement required additional efforts in training and communication on adjustments, including reporting channels, emphasis on the possibility of contacting leaders, HR, or the Ethics Hotline, as well as the obligation to use the proper channels for reporting any cases of bribery, financial mishandling, poor behavior by executives, discrimination, or harassment.

Integrity breeds trust. That is why our associates, customers, investors, suppliers and business partners choose Walmart, because they know we are a company they can trust.

### Our Code focusses on behaviors that:



Create trust in **our associates**



Create trust in **our customers**



Create trust in **our company**



Our Code of Conduct applies to each and every associate and member of the Walmart Board of Directors and its subsidiaries



GRI 102-17, 410-1, 412-2, 410: 103-1, 103-2, 103-3



**We have different resources that enable our associates to make ethical decisions:**



**Integrity in Action Award:** A global recognition program that honors associates who exemplify our values and define our culture of integrity on a daily basis. We invite associates from each market to nominate their fellow workmates, and Walmart then recognizes the winners. The award is given to associates who go beyond their roles to foster a culture of ethics in Walmart.



**Annual training:** In 2021, 52,304 hours of training on our Code of Conduct was offered to Operations and Staff associates, covering 97.3% and 96.4%, respectively, in Mexico; and 94.8% and 98.9% in Central America.



In 2021, we opened the nomination system as a permanently-enabled portal so anyone can make their nominations based on the indicated criteria.



**WalmartEthics.com:** With this platform -available in 11 languages and worldwide- interested parties may ask questions, read our Code of Conduct, report ethical concerns, and provide follow-up

GRI 406-1

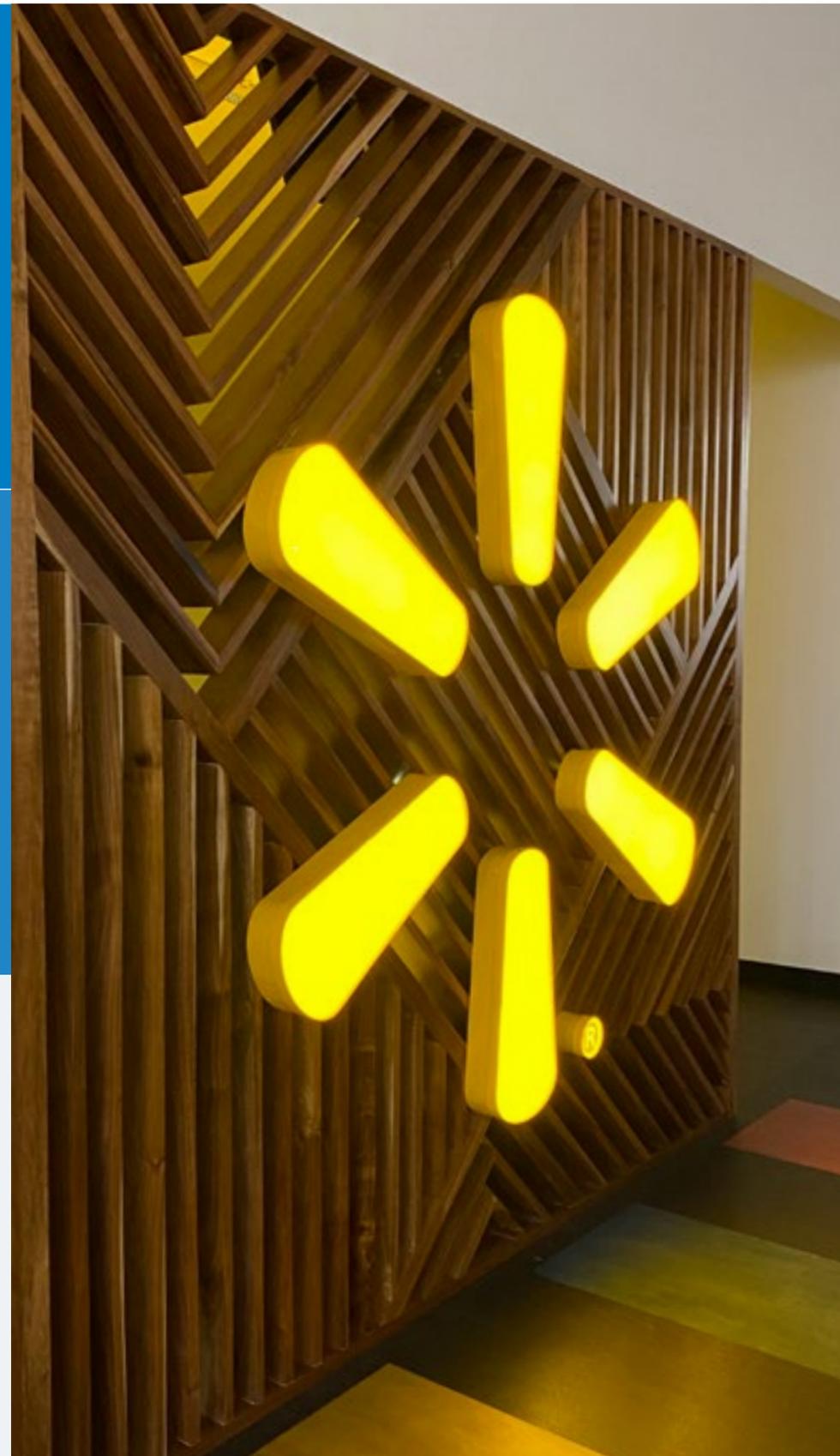
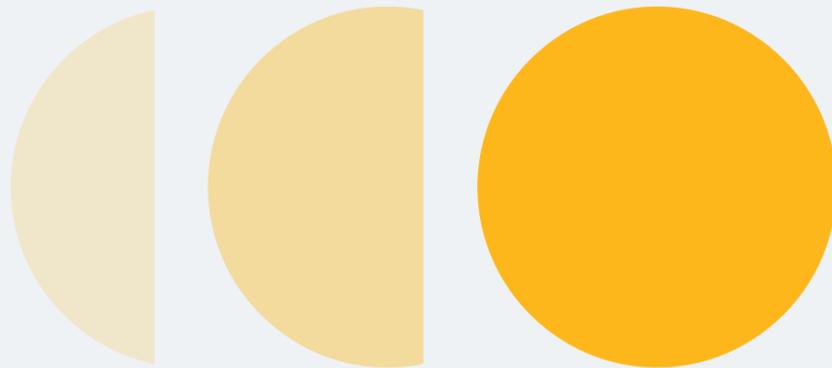




**The Integrity Index** rose from **86% to an average of 90%**, with Central America having the highest integrity index, this from the comprehensive work of several areas of the company, focusing on the medium and long terms, with the central pillar that integrity breeds trust, and a clearly conveyed message on zero tolerance for repercussions in Walmart.



Throughout the year, **we launched communication and campaigns of interest** related to risks identified by the company, such as conflicts of Interest, bribery, retaliation, among others, to raise awareness regarding these subjects and to mitigate any related risks.



GRI 406-1



**Effective attention to Ethical Cases Reported**

The merging of local investigation teams into a single team was completed, thereby achieving improvements in efficiency, consistency, follow-up on protocol, and information processing.



Preventive measures for **Sexual Harassment** were successfully implemented, producing **excellent results** and reducing response time for cases reported to our office.



GRI-102-17

### FORMAL CLAIMS MECHANISMS



We have suitable media for our associates to be able to express any concern or report any inappropriate behavior, with the guarantee that they shall be treated confidentially and without retaliation for having done so

Through the use of posters and webinar training, this year we conducted our communication campaign “Zero-Tolerance for Retaliation” to encourage our associates to express their ethical concerns and report any negative behavior, without fear of repercussions.

#### The mechanisms for making claims are:



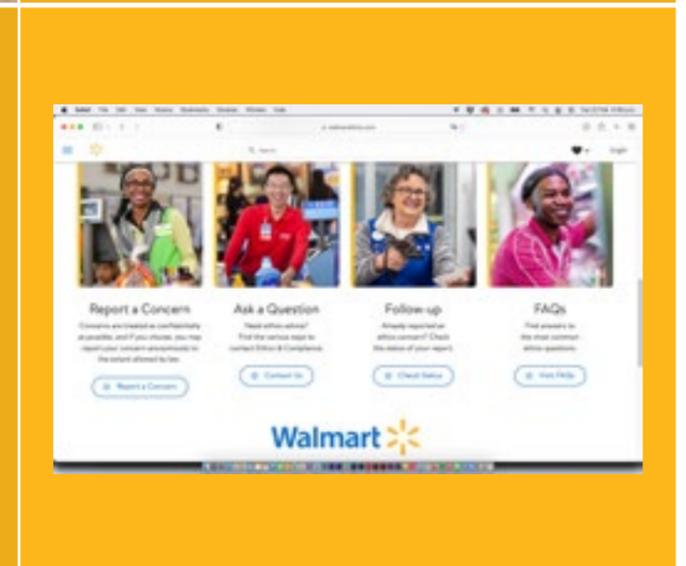
Open-door communication with the direct supervisor, a second-level supervisor, the Personnel Leader, Ethics and Compliance, or Legal




Website:  
<http://www.walmartethics.com>  
and email:  
[ethics@walmart.com](mailto:ethics@walmart.com)




Global Ethics Hotline:  
**800 963 8422**  
available 24/7





GRI 406-1

### ACTIONS TAKEN AS A RESULT OF ETHICS REPORTS MADE

All confirmed cases result in disciplinary actions that go from a wake-up call to termination of the employment relationship. In conjunction with the business areas, correction measures are undertaken regarding findings in said cases, which include training, process improvements, publication, amendments to policies, communication reinforcement, among others.

GRI: 102-25

### GLOBAL POLICY ON CONFLICTS OF INTEREST

In 2021, we published the Global Policy on Conflicts of Interest, which establishes the manner in which our associates should act, taking into account company interests and exercising good judgment, without considering personal interests or lapsing into disloyalty.

Likewise, training and communication campaigns were put into effect, on the new Global Policy on Conflicts of Interest, including webinars for Operations and Staff by specific areas, and to reinforce concepts on situations constituting conflicts of interest and reporting obligations.

We launched the annual conflict of interest questionnaire for directors, asst. directors, buyers and buyer assistants to evaluate any possible conflict of interest in the following areas: competitors, suppliers, family members, outside employment, and financial investments.



GRI 406:103-1, 103-2, 103-3

### GLOBAL POLICY ON HARASSMENT AND DISCRIMINATION PREVENTION

In 2021, the Global Policy on Harassment and Discrimination Prevention was published, in which, among other things, any type of discrimination or harassment based on a protected category, or any other basis is strictly forbidden for associates, candidates, customers, members, suppliers, or anyone working on behalf of Walmart.

Throughout the year, we conducted a companywide training campaign in the prevention of sexual harassment, including digital and printed material, training sessions, and webinars.

We also developed a control record to measure different indicators (integrity, turnover, and ethics contact indexes) broken down by different filters (such as formats, geographic region, and leaders, thus defining strategies).





## ANTICORRUPTION

GRI 205:103-1,103-2,103-3, 205-2, 205-3

We are committed to maintaining the highest standards possible and to complying with all legislation in force. In all our operations, we strive to avoid any situation that may appear as inappropriate actions by our top management, executives, collaborators, employees, agents or representatives.

Our [Global Anticorruption Policy](#) prohibits bribery in all cases, regardless of whether in transactions with public officials or with private sector companies or individuals.

Walmart is firm in its position on bribery and corruption: we compete fairly and honestly in all places where we operate worldwide; we never try to obtain competitive advantage through bribery, nor do we tolerate bribery or corruption in any manner whatsoever. Our Code of Conduct and Global Anticorruption Policy forbids any type of bribery and illicit payments, either related to transactions with government officials or with anyone in the private sector as well.



### All members of the Board of Directors received in-person training in ethics and anticorruption-based subjects

Our anticorruption compliance is designed to manage risks of bribery and corruption by incorporating regulatory guidelines and internationally recognized best practices to establish internal controls and effective auditing. The investments made in talent, processes and systems are not only meant to prevent and detect any risks of corruption, but also to proactively ensure the continuous improvement of the program based on risks, efficiency, effectiveness, and sustainability.

Zero tolerance to bribes, acts of corruption, or dishonest actions allows us to reach our objectives with full transparency. In the case any associate has suspicion or information at all on the violation of company policies or has any information on improper requests -even if rejected- these must be reported immediately to the Global Ethics contact points through the formal claims mechanisms.



Both associates and Board Members alike receive training in anticorruption once a year.

Our long-term goal in training is to continue offering courses to all relevant parties -both internal and external- in the matters pertaining to anticorruption based on tailor-made materials and frequencies. This will enable us to optimize the time and resources employed for training, also ensuring the relevance of the content and the message communicated to each participant. All training is measurable and the goal is to reach 100% of the targeted audience during the corresponding period.



### Over 26,300 associates in Mexico and 7,400 in Central America completed anticorruption training



In keeping with the purpose of evaluating risks associated with corruption, each year we conduct risk analysis, the results of which allow us to assign resources for the proper attention. This program is regularly reviewed by our continuous improvement team, who in turn provide timely feedback for early identification, establishing root-causes and providing the right solutions to identified situations. Likewise, the Internal Audit Team conducts periodic and independent audits.

Due diligence is conducted on outside third parties wishing to represent us, which includes their willingness to commit to complying with our Anticorruption Policy and to renew this commitment at least every year.

585 third parties in Mexico and 155 in Central America completed or renewed their anticorruption training

The approved third party receives risk-based training in said policy, thus ensuring they are familiar with this policy and its requirements

Each year a sample of our approved third parties are proactively audited by us in terms of several factors, including risks associated with the region where they operate and the type of service provided. This process allows us to examine third-party response to our anticorruption program, and to identify those areas where increased improvement to our training and controls is needed.



## FOOD SAFETY

GRI 416-1 SASB FB-FR-250A.1, FB-FR-260A.2

We have ongoing commitments to compliance with all laws and regulations for Food Security applicable in all the markets in which we operate, and to provide safe, top-quality products so people may save money and live better. Consequently, the Food Security team is charged with supervising the comprehensive food-safety management system.

This includes creating policies and procedures and ensuring compliance with the same so we may purchase, store, transport, prepare and sell safe food products that adhere to all regulations and to our own strict standards in this field.

Throughout 2021 we achieved high food safety measures for our products, and we reinforced procedures for both instore as well as home delivered products.





### FOOD SAFETY AUDIT PROGRAM - HIGH FIVE

These principles are measured through a system of unannounced monthly audits, by vendors who are experts in food safety with global authorization.

#### They measure and monitor the five basics of hygienic food handling, as described below:

<p><b>1. Clean and healthy</b></p> <ul style="list-style-type: none"> <li>• Wash your hands when necessary.</li> <li>• Not working with food when you are sic.</li> <li>• Never touch ready-to-eat foods without gloves</li> </ul>	<p><b>4. Cook and cool</b></p> <ul style="list-style-type: none"> <li>• Cook the food until it reaches a suitable internal temperature</li> <li>• Quickly cool food to the temperature required by local law</li> </ul>
<p><b>2. Wash, rinse, sanitize</b></p> <ul style="list-style-type: none"> <li>• Properly wash, rinse, and sanitize all food utensils and contact equipment</li> <li>• Properly store all equipment, utensils, and containers in designated locations</li> <li>• Keep the work area clean</li> </ul>	<p><b>5. Avoid cross-contamination</b></p> <ul style="list-style-type: none"> <li>• Do not store raw foods over cooked or ready-to-eat foods.</li> <li>• Never prepare ready-to-eat foods on the same surface or with the same utensils used to prepare raw animal protein.</li> </ul>
<p><b>3. Keep it cold, keep it hot</b></p> <ul style="list-style-type: none"> <li>• Keep cold/hot food at the temperature indicated by law</li> </ul>	

#### Our Brand food products

	Mexico	Central America
	2021	2021
Suppliers audited	331	244
Plants audited	376	2
Percentage of certified plants	96	91

#### Type of Audit

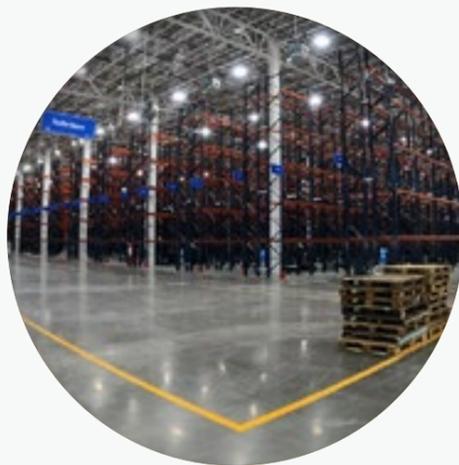
	Mexico	Central America
	2021	2021
GFSI (Global Food Safety Initiative) certification	96	91
Global Markets	15	20



### PEST MANAGEMENT

Our goal is to protect the health of all customers and associates in our stores by keeping pests under control through the use of different tools that provide Integrated Pest Management. Therefore, we contribute to caring for health issues vis-à-vis the presence of insect-borne diseases such as zika, chikungunya, and dengue, as well as reducing product shrink resulting from damage or contamination by pests.

All this is achieved because we have unannounced, monthly international audits performed on the pest system in stores and clubs, and an unannounced monthly national audit in all our DC facilities. Also, we visit all units at least twice a month to verify pest system maintenance and, if needed, apply chemical products, with the purpose of identifying and mitigating any pest activity.



### GLOBAL FOOD SAFETY INITIATIVE (GFSI)

As members of the Local GFSI Group Mexico, it is mandatory for suppliers of Private Brands to become certified in these matters within a reasonable period of time, provided they do not have their own system. In addition to this, our meat plant located in Cuautitlán is SQF L-2 certified, this certification is a strict food quality and safety program with recognition from retailers, brand owners, and food service providers worldwide.



### FOOD SAFETY PROGRAM FOR PDV IN CENTRAL AMERICA

In Central America, this program allows for maintaining the health status in stores, ensuring adherence to best practices for food handling. In this way we contribute to the health of our customers. All units are audited under our five basic rules for food safety and for Integrated Pest Management, which are implemented by our stores and clubs to guarantee food safety.

Last year we launched Care for you store like your home, which consists of practices that help the store to guarantee food safety, reinforcing the commitment we all have in caring for our stores and clubs.



### FOOD HANDLING CERTIFICATION IN DISTRIBUTION CENTERS

Since 2019, we have GFSI- BRC international certification in three DCs, with AA scores.

**This certification guaranteeing operational processes in handling food products, thanks to the following:**

- Technical support and training for DC personnel in food handling
- Procedural standardization
- Compliance with domestic regulations and internal policies on food safety and quality

### **Audit of Storage and Distribution Best Practices of DCs and deconsolidators for Fresh**

13

Mexico

246

Central America



In 2021, we achieved BRC AA+ Certification for the Monterrey DC



In 2021, we achieved BRC AA Certification for the Chalco and San Martín Obispo DCs

### **This certification consists of the following:**

1. Establishing systems and processes focused on food quality and safety throughout DC operations
2. Internal inspections for a pre-evaluation of compliance with BRC requirements
3. Documenting operational processes
4. Personnel training in requirements and updating operational processes
5. Establishing KPIs and improvement measures
6. Conducting audits with a third-party company to verify compliance with the GFSI BRC standard in food storage and distribution, version 4





## PRIVACY

GRI 418-1 SASB FB-FR-230A.1, CG-MR-230A.2, CG-EC-230A.2, CG-EC-220A.1, CG-EC-220A.2

We are responsible at all times for protecting and maintaining personal data privacy for our associates, customers, members, and third parties, pursuant to all applicable laws and internal global policies.

Our Privacy Policy sets forth the guidelines so Walmart de México y Centroamérica associates may handle and protect the personal data with which they have access during their daily activities, guaranteeing the privacy, confidentiality, and safety of that information from the moment it is obtained and throughout all stages where it is used.

This policy also covers the requirements under which the company compiles, uses, processes, and destroys such personal information



For further reinforcement of this, we have a Privacy Notification and a Policy on Maintaining Registries. Each privacy notification describes the data to be gathered and the purpose for said gathering, which is recurrently reviewed to ensure that the purposes for use of personal data are correct and in force.

We have mechanisms available so the owners of personal data may make informed decisions on its use, in addition to the means by which these owners may exercise their rights to access, verify, cancel and object (ARCO).

We have also developed official channels so our associates or third parties may report any leaking of personal data and take immediate action needed to protect said data; and protocols for the rapid and efficient response to cases of data leaks, including an Incident Response Committee, consisting of representatives from key areas in the organization.



Included in the progress made in the field of privacy, in 2021 we implemented a protocol for Privacy Risk Management (PRM) evaluation, which enables us to analyze any data exchange, either internal or with third parties, and to analyze any risks regarding information privacy.

This protocol consists of a questionnaire whose purpose is to analyze, identify, and document privacy risks that may arise with projects involving personal data handling (that is, any information that identifies or makes a person identifiable) with the purpose of mitigating those risks and complying with legal requirements concerning data protection.

This evaluation begins when a detected project, activity, or procedure attempts to use personal data.

Likewise, since guaranteeing the protection of personal data is required, the SSP (Security Solution Plan) process, which is overseen by the Information Security department, is put into action and conducts the necessary reviews to ensure that the technological solutions have the corresponding security protocols, as per the data classification.



As part of the SSP flow, verification is performed to make sure the data processing solution has passed the PRM evaluation, to then be able to grant SSP validation and approval



## ENVIRONMENTAL

GRI 304: 103-1, 103-2, 103-3, 304-1, 304-2, 304-3, 304-4, 306-3, 307: 103-1, 103-2, 103-3, 307-1



While conducting all business activities, from the forecasting, design, and construction of new units to the operation of the same, we strictly adhere to all applicable regulatory and environmental obligations

Environmental Compliance is in charge of leading the Environmental Compliance Program with the purpose of meeting obligations regarding environmental impact, hazardous and non-hazardous waste generation, wastewater quality, and atmospheric emissions.

Insofar as new-unit construction, we have an Environmental Impact Program whose purpose is to establish the controls needed to prevent and mitigate impacts at the building sites for new stores and clubs, through the use of specific environmental audit procedures, environmental impact and existing vegetation studies, the obtaining of environmental licenses and permits, in addition to compliance with limitations and environmental impact measures.



In 2021, a project with protected species was implemented: Mi Bodega Tecamachalco, located in the state of Puebla (impacted area: 5,156.09 m<sup>2</sup>)



In Central America, none of the stores or clubs opened throughout 2021, where analysis was performed, reported any biodiversity impact, nor in or nearby protected areas. Likewise, no impact was reported close to areas of high value in terms of biodiversity.



## HEALTH AND WELLNESS

GRI 416-1

The primary purpose of our Health and Wellness program is to comply with all legal requirements, market best practices, and to guarantee the optimum operation of our pharmacies and doctors' offices.

To become a supplier, all companies offering prescription products, medication, medical devices, vitamins, food and nutritional supplements, personal hygiene products, or cosmetics containing active pharmaceutical ingredients must comply with our requirements on Health and Wellness and product safety and health.

In addition, regulatory controls to be followed are also established and implemented within this program, validating that all products sold in our units have the proper quality and distribution.



Our Integrated Pharmacy System enables timely medication control via digital means



### This year, we achieved the following:

- Two pilot programs were launched:
  - Electronic prescriptions in 12 units
  - Home delivery of antibiotics in more than 80 Walmart Supercenter and Walmart Express units
- All normalized operating procedures (NOPs) for DCs were updated
- Sanitary controls were implemented for COVID tents
- Medimart insulin was launched
- Controls and follow-up were established for antibacterial gels, as per the Emergency Standard
- Thermohydrometers went from analog to digital in our DCs
- Validation was reinforced before adding and cataloguing health supplies





In Mexico, we have 301 doctors' offices and 1,437 pharmacies in operation, selling approximately 6,000 medications, supplements, and medical devices

Products

+350

Medimart products

**48**

Medimart suppliers

**954**

Medimart products audited

**6,000**

products in pharmacies

**54**

Medimart supplier establishments audited in 2021

**+100**

non-Medimart suppliers

# Consultorio

Establishments

1,437

Pharmacies

**301**

Doctor's offices in operation

**1,454**

internal audits of pharmacies

15

Distribution Centers

**916**

independent audits of pharmacies

**17**

internal audits





## PREVENTION OF MONEY LAUNDERING

We have a Money Laundering and Consumer Fraud Prevention program, which strictly adheres to all applicable legislation and global policies. In addition, there is a global and a local policy relating to the same, and a manual describing the operating details of this program.

As part of the controls in operation, there is a training and communication program on areas of potential risk, which must be completed each year or when required for other needs.



We have established follow-up metrics for the program so as to meet the globally-established objective, as well as systematic locks that do not permit certain positions to render a high-risk service without prior training.

At the global level, we have a monitoring system to oversee and mitigate the risk of unusual activities regarding certain products and services. Moreover, there are established procedures to identify, monitor, and mitigate potential risks of in-store fraud against our consumers.

Several channels are available so our associates and third parties may report any unusual activities, in addition to the mechanisms needed to conduct the corresponding investigations.

Likewise, we carry out the risk assessment in new financial products and services in order to implement preventive controls before their implementation.

In Mexico, the Committee for the Prevention of Money Laundering -comprising representatives from different areas of the company- has the purpose of providing visibility on potential risks and making decisions to mitigate these risks. The Committee meets bimonthly and shares trends, new projects, training percentages achieved, among other matters. In Central America, subjects related to money laundering are discussed during Corporate Governance meetings and, if necessary, are cascaded up to the Executive Committee for the market.



Global tools are used to conduct our risk-based due diligence with commercial partners, suppliers, buyers, and real estate projects



## LICENSES AND PERMITS

To better manage and follow up on these licenses and permits, we have a Global Licensing Management system -GLM- which reduces the risk of expiration and provides traceability throughout the whole cycle, including monitoring the payment of processing fees. This year we implemented a new version that provides better visibility on the status of the licenses and permits.

Follow-up begins with site locating, where an expert evaluates license feasibility prior to obtaining project authorization, so as not to run the risk of having low-feasibility projects; to the start of construction and operation of the new business. During this phase, a License and Permit Committee -with associates having expertise different from those who file for the licenses- analyzes all documents and evaluates if the project complies with any and all applicable regulations, also determining if unit construction or operation may begin.

The entire process is documented within the system, from the investigation of all requirements, data from the authorities, income, request and payment of rights, to the final obtaining of the document.



To operate our stores and clubs, 31,000 licenses and permits are managed, of which 14,656 are periodically renewed. In Central America, it is 6,785 licenses and permits, of which 2,500 and 2,800 are periodically reviewed





## PRODUCT SAFETY

GRI 416-1  
SASB CG-MR-410A.2

Another of our obligations is to guarantee product safety for any item sold to our customers, from cosmetics, apparel, footwear, to general merchandise. We ensure compliance with established safety, regulations, and quality.

All “high-risk” categories are monitored each year. Random monitoring is conducted when the merchandise reaches the POS, which consists of employing EMA/COFEPRIS-accredited testing methods to verify that the products are in compliance with measures safeguarding the health and protection of our consumers. Likewise, corrective and preventive action plans are prepared in the case of discovering anomalies with our suppliers.

Review protocols include plant audits; certification regarding regulation in force that are provided by the suppliers; and finished-product inspections at supplier plants, checking product safety requirements, among others, emphasizing Private Brands.



Training sessions on product safety and quality control were designed and offered to our suppliers and buyers to establish compliance indicators that measure the performance of each delivery and, in the case needed, prepare improvement plans.

Textile and footwear products undergo lab testing and national and place-of-origin inspections, reviews and follow-up in distribution centers or units, as well as complaint controls. When needed, products are recalled from our stores and clubs.



In addition, we consistently audit suppliers of Private Brands to ensure compliance with regulatory product quality and safety requirements, and with Walmart standards as well



GRI 416-1

### Suppliers of Private Brands evaluated in Mexico:

The safety requirements that must be met by our supplier of Private Brands of electric, electronic, apparel, household appliances, footwear, cosmetics, consumables, toys, gardening, and hardware products include the following:

- Maintaining high standards of safety and quality
- Providing products that meet all legal, industry, Walmart safety, quality, and technical requirements
- Implementing proper risk management system to protect against any food and product safety risks. All suppliers must validate and verify these systems through independent parties
- Providing notification of voluntary and compulsory recalls due to non-compliance with any and all applicable requirements
- Actively participating with us and with regulatory authorities in product recalls



Footwear	General merchandise	Textiles
16 suppliers	479 suppliers	159 suppliers
33 audits	682 audits	247 audits
0 not approved	14 not approved	30 not approved
19,185 inspections of national suppliers, in DCs	1,500 place-of-origin inspections of suppliers for imported products	892 place-of-origin inspections of Global Sourcing suppliers for imported products



## LABOR AND EMPLOYMENT

GRI 401: 103-2, 103-3 , 402: 103-1, 103-2, 103-3, 402-1, 408: 103-1, 103-2, 103-3, 408-1, 409: 103-1, 103-2, 103-3, 409-1

We are responsible for guaranteeing the labor rights of our associates, including wages and payments; benefits; and fair, equal, and inclusive treatment

### The following policies, among others, help to fulfill this responsibility:

- Policy on Time and Attendance: We guarantee our associates their rights, pursuant to all labor laws governing work shifts and work-life balance.
- Global Policy on Harassment and Discrimination Prevention: We guarantee no differentiation in treatment due to gender, age, religion, sexual preference, or political ideology of our associates, in addition to the prevention of harassment.
- Policy on Labor Compliance: By properly following requirements, all associates are guaranteed fair compensation and benefits, authorization to work, job position classification, working hours, and breaks for meals and rest

Likewise, we conduct ongoing campaigns in all units to ensure overtime payment, respect for breaks and work schedules, and to prevent harassment and discrimination.

### Throughout the year, the Labor and Employment program was involved in the following initiatives, in conjunction with HR and other areas of the company:



Automated calculations for daily integrated daily wages



Disinfection protocol of units due to COVID-19 cases



Updating of individual work contracts

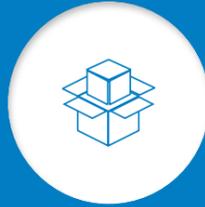


The elimination of outsourced personnel and their integration as associates, pursuant to labor reforms



In addition, the following policies were updated and published: Labor Policy; Policy on Harassment and Discrimination; and the Policy on Time and Attendance





## FOREIGN TRADE

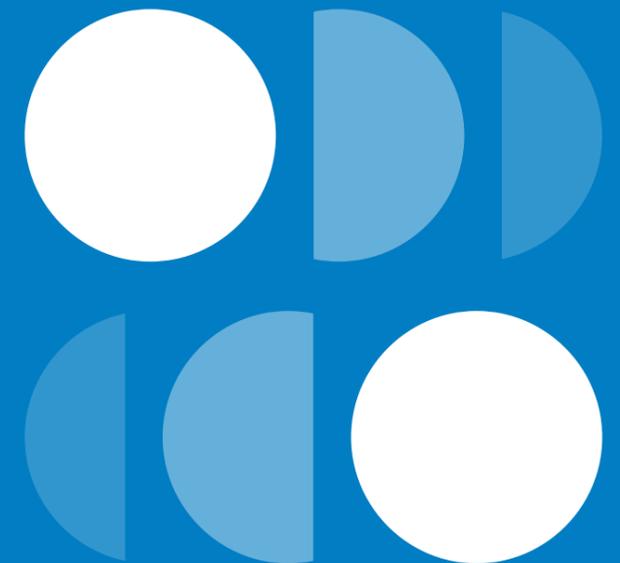
Through our foreign trade program, we make sure that the importing and exporting of company merchandise complies with all applicable laws and regulations, as well as the payment of duties needed for foreign trade transactions.

As part of this program, our import process maintains a safe and protected chain of supply, in addition to making sure Walmart neither engages in business nor markets any products from countries that do not meet the interests of the company.

In the aim of ensuring that all standards and controls are correctly followed, we conduct a monitoring process. There is a specific program for imports with digital recording of product additions, whereby the country of origin is identified. Moreover, there is a monitoring protocol for exports and customs agents, which is applicable to the entire company, including eCommerce.



In compliance with applicable regulations on foreign trade, with the collaboration of the Imports area, in Mexico we were able to achieve that 98% of import logistics service providers have government certification in safety, such as: the Customs Trade Partnership Against Terrorism (CTPAT); the Authorized Economic Operator (AEO); and Partners in Protection (PIP), with the purpose of maintaining a secure and protected supply chain, preventing the trafficking of drugs, weapons, and people, among others.





## ANTITRUST

GRI 206: 103-1, 103-2, 103-3, 206-1

The Global Policy on Antitrust Laws is a reflection of our commitment to maintain the highest standards in ethics and to always comply with antitrust and free enterprise legislation in all those countries where we operate.

Among the primary ones are our behavior guidelines and regulations, in addition to communication campaigns and training to guarantee that all negotiations, contact with suppliers and/or competitors are in strict adherence with corresponding regulations.

The aim is to achieve good-faith negotiations that are transparent, objective, and successful for both sides, honoring our promise to our customers of offering them every day low prices so they may live better.

● We have established controls for avoiding anticompetitive behaviors or practices





**In 2021, the following key elements of the compliance program are:**



**Training conducted** on participation in associations and guilds, reaching 95.3% of the target audience.



**The Noisy Exits campaign was launched.** It consists of a training video produced by the Home Office team to reinforce the protocol of action in the case of receiving non-requested sensitive trade information, which should never be shared either verbally or in writing.



**Several communiqués on Free Enterprise** were issued and sent to the entire Home Office team, with messages on attention to down raids by the authorities. There was also another communiqué aimed at operations personnel, informing them how they should reject any information that may be deemed sensitive, alerting them to the possibility of receiving it through social media, such as WhatsApp.



**We were able to reach 96% of the commercial team audience,** refreshing information on matters pertaining to free enterprise.



**The Code on Reinforcement of Best Trade Practices was relaunched,** with revisions to its content. El Mediator under Best Trade Practices is a concept created by the Code, which purpose is to foster agreements between our Commercial Teams and the Suppliers, in the case of any controversies regarding the interpretation and use of said document.



The **CBL** e-training platform on global competencies was launched, **training 99% of our target audience.**

The company is confident it always acts in adherence to applicable legislation, and that its participation in the Mexican market has always resulted in the lowest possible prices for our consumers, especially benefitting lower-income Mexican families, and those living remote areas of the country who have not been served by others.

The behavior of our suppliers plays a fundamental role in achieving compliance with all antitrust and antitrust legislation. We wholly expect that our suppliers understand comply fully with these laws, which are designed to promote free and fair enterprise and to help activate open markets, improve productivity and foster innovation and value for our customers. The violation of these laws can have severe financial and reputational consequences for individuals and for companies.

Our suppliers are forbidden from entering into anti-trust agreements with their competitors as pertains to sales with Walmart, or to share prices, costs, or other privileged information regarding business conducted with Walmart.



## RESPONSIBLE SOURCING

GRI 308: 103-1, 103-2, 103-3, 308-1, 308-2, 407: 103-1, 103-2, 103-3, 408: 103-1, 103-2, 103-3, 409: 103-1, 103-2, 103-3, 412: 103-1, 103-2, 103-3, 102-9, 407-1, 408-1, 409-1, 412-1, 412-3, 414-1, 414-2  
 SASB FB-FR-000.C, FB-FR-000.D, FB-FR-430A.3, FB-FR-430A.4, FB-FR-430A.4, CG-MR-410A.3, CG-MR-410A.1, FB-FR-430A.1, CG-MR-410A.2

Our Responsible Sourcing program continues working with our supply chain to analyze what is purchased beyond the traditional elements of cost, quality, and lead time. This program encompasses ethical matters, labor rights, and social and environmental issues when supplying products and services in all purchasing categories and in all the regions.



Through this program, we establish the expectations we have of our suppliers, and we monitor facilities found in potentially high-risk places

Throughout time, our efforts to provide communication channels have been broadened so workers may inform us of their concerns. We conduct risk-based audits and periodic evaluations to monitor the status of the supply chain. We are actively involved with our stakeholders and participate in key supply chains to solve any root-cause issues.

In 2021, we had 7,622 suppliers with active agreements for the markets in Mexico and Central America. According to the Plant Audit System, there are 1,679 unique plant active in Mexico and Central America supplying several of Walmart's retail markets, including the retail markets found in Mexico and Central America.



## RESPONSIBLE SOURCING PRACTICES

The Responsible Sourcing team works together with our Merchandising tribes to help incorporate responsible sourcing practices and to provide visibility of supplier compliance with our regulations.



Newly hired associates in this area obtain training through workshops and informative sessions about forced labor, health, and safety

Our Responsible Sourcing associates participate in buyer meetings with suppliers to help establish expectations from the beginning. Also, they receive training on the influence of their decisions for the supply chain and on how to reinforce positive work practices in supplier facilities.

Buyers use data such as KPIs and reports on condition verification to provide visibility to the suppliers and to foster improvements in supply channels representing the highest potential for risk.



**135** supplier representatives have completed training courses

**82** representatives of new suppliers received training

## EMPOWERING OUR SUPPLIERS

Walmart suppliers are responsible of relations with those who manufacture our products, which is why we request they convey our expectations throughout their supply chain.

Some of the mechanisms through which we help suppliers promote dignity for workers are:



### THE RESPONSIBLE SOURCING ACADEMY

This allows suppliers to have access to training and orientation on best practices and training materials developed by third parties and by the company in several languages.

#### SUBJECTS COVERED INCLUDE:

- Audit guidelines
- Global compliance guidelines
- Forced labor
- Health and hygiene
- Supply chain controls



### TRAINING AND SPECIAL SESSIONS:

Responsible Sourcing associates offer these sessions to newly incorporated suppliers from all over the world. Also, our newly hired buyers learn about the responsible supply compliance program, its policies and its scope.



### REINFORCED TRAINING:

Throughout the year, our suppliers received reinforced training or specialized training so they may identify specific risks requiring mitigation. They also receive periodic communication explaining the different details of the policy and program.



## GOVERNANCE AND POLICIES

Our commercial practices must reflect our business principles. Therefore, we demand of our suppliers the same high standards followed by our personnel. Consequently, when we ensure these standards are kept throughout the entire supply chain, we are doing more than simply providing products and services: we are building and reinforcing trust amongst ourselves, with our customers and with the communities we serve.



This year the [Standards for Walmart Suppliers](#) were updated and their purpose is to share with the companies with which we do business our values and guidelines on the behavior we expect from them. These standards were reviewed and updated to supplement the new Code of Conduct, with the goal of broadening knowledge on ethics and compliance expectations.

These standards apply to suppliers for Walmart Inc. and its subsidiaries throughout the world. Walmart has very solid values and so we demand that our suppliers comply with all of them.

According to the new Standards, a supplier is defined as anyone supplying Walmart with products, including goods for sale and those for use by Walmart, that is, goods not for resale.



Suppliers are responsible of ensuring compliance with these standards in all their businesses and throughout their supply chains



**Standards for Walmart Suppliers encompass three comprehensive guidelines:**



**WORKING CORRECTLY:**

Which implies compliance with the Law and with Walmart Policy; never engaging in bribery; creating a respectful workplace, and operating safe workplaces, among others.



**PROVIDING EXCEPTIONAL GOODS:**

Which implies maintaining high safety and quality standards; respecting guidelines and laws pertaining to commerce and labeling and marketing products accurately.



**COLLABORATING WITH WALMART:**

Which implies recognizing and avoiding conflicts of interest, competing fairly, acting as a partner and cooperating with us.



The updated version of the Standards for Walmart Suppliers -issued by the company worldwide- has been published on our **suppliers' platform**, a link they can use to access the document. In this we reinforced the notice sent to the Merchandising Tribes, who helped us by transmitted said update to their supplier base.

We have also updated the **statement requirements** of the Responsible Sourcing program so suppliers may better distribute internal risk-based resources, provide greater flexibility to markets of face to and emerging risks, and increase the efficacy and efficiency when managing the Responsible Sourcing program in those markets.



## EVALUATING SUPPLY CHAIN RISKS

GRI 102-11

Responsible Sourcing conducts an annual risk evaluation so we may better understand social compliance risks in the supply chain.

### The criteria considered in the evaluation include the following:

The supply chain areas more prone to risk and with the greatest impact in key risks.

Country risk analysis based on internal and external data, including: the number of issues and their incident rates, as well as the relative seriousness and impact on people, operations, and reputation, where we consider the impact on people as having the greatest weight.

Specific risks for commodities and other products, based on data, local intelligence and experts, official publications and reports from the mass media and NGOs to have a better grasp of the places and supply chains where issues are particularly serious.



Final results from the evaluation vary according to the supply chains for certain products, countries, or both

These results are incorporated into the design process of the Responsible Sourcing Strategy, which include specifying the fundamental causes of the problem, evaluating possible solutions -including existing or emerging initiatives- and ways to mitigate these risks. The latter include changes to policies and procedures by influencing our approved audit programs, changing our monitoring process and scaling our supply chain, or implementing new initiatives.



The audits focus on a variety of matters, such as:



**1.- WORKER  
COMPENSATION**



**2.- VOLUNTARY  
LABOR PRACTICES**



**3.- AGE-RELATED LAWS  
AND REGULATIONS**



**4.- WORKING HOURS**



**5.- FACILITY HEALTH  
AND SAFETY**



**6.- ENVIRONMENTAL  
LEGISLATION**

Continuous efforts are made to improve our audit program, better allocate our resources to those facilities of greater risk and help increase overall compliance.



The approach used in auditing supplier facilities is based on risks

We allocate greater resources to those situated in countries with higher risk potential. These audits concentrate on a variety of matters, including worker compensation, voluntary labor practices, working-age laws and regulations, working hours, and the facilities' health and safety standards.

Should we discover that a supplier is producing merchandise in an unauthorized plant or outsourcing an unauthorized plant, said supplier may lose their right to do business with us.





Every audit report on the facilities is evaluated based on our supplier standards and in keeping with our **Policy on Supplier Audits and Evaluations**. High-risk problems are identified, including forced labor, trafficking of persons, child labor, and unsafe working conditions.

GRI 102-15, 102-11

All audits are classified green, yellow, orange or red, depending on the level of compliance achieved, as follows:

**GREEN:**  
Those facilities having overall compliance

**YELLOW:**  
Facilities where audit results show overall compliance with our standards, but which have non-compliance in at least one major requirement

**ORANGE AND RED:**  
These are for facilities where we have more serious violations such as withheld or irregular payment, forced labor, intimidation or discrimination of workers, unethical recruitment practices, and excessive working hours.



Suppliers with an orange rating can continue working with us, provided they remedy their violations, because we believe that by continuing to work with them, we can have a positive impact on the workers than by simply abandoning the commercial relationship.



They were done 7,060 audits in plants working with our markets in Mexico or Centroamerica

However, those facilities consecutively classified as orange, or with a single red designation indicate serious violations that may lead to either temporary or permanent termination of the commercial relationship with our company.

### Audit Results

- Has found the least severe violations
- Have failed to meet at least one important requirement
- Will continue to be allowed while the violations are remediated\*
- May make it appropriate to temporarily or permanently terminate the facility's ability to produce merchandise for sale by Walmart\*\*
- Other

#### Mexico



#### Central America



\* Three consecutive Orange ratings may result in a Red rating, regardless of whether the facility remains in good standing with the audit program chosen.  
 \*\*If a facility is given a Red rating, it may be banned from producing goods for Walmart indefinitely or its production may be halted and/or its product refused.



## CLAIM MECHANISMS

Responsible Sourcing conducts an annual risk assessment, which enables us to better understand the risks of social compliance in the supply chain.

We have different mechanisms to present claims on the violation of our standards and to seek correction. Our Ethics Hotline is the principal mechanism.

We use [posters](#) as a tool to inform supply chain workers of our expectations and of the availability of channels to file claims. These posters, available in [24 languages](#), focus on subjects of greatest risk for the workers, including forced labor, human trafficking, unsafe working conditions, working hours, wages, intimidation, and discrimination. They also include information on channels to make direct reports to Walmart on subjects of concern. These channels are also available on our [corporate website](#).

Each allegation is reviewed and may be referred to the Responsible Sourcing investigation team or to other compliance teams within Walmart.

**Are you being intimidated or discriminated against?**

Signs of unfair labor practices include

- Your employer makes employment decisions based on factors unrelated to the job
- You are prohibited from exercising your rights to associate or to not associate with others
- Your employer engages in harassment, abuse, or physical punishment

**If so, speak up.**  
Report if you experience or observe any of these situations

- 1 Talk to a co-worker, supervisor, or authorized worker representative
- 2 Contact Walmart anytime, anywhere—  
Email: [ethics@wal-mart.com](mailto:ethics@wal-mart.com)  
Visit: [walmartethics.com](http://walmartethics.com)  
Call: 800-WM-ETHIC (963-8442) from the US or Canada
- 3 Contact appropriate governmental authorities

Walmart

**Do you feel unsafe while working?**

Signs of an unsafe workplace include

- You are not provided personal protective equipment
- Exits, doorways and escape routes are not marked or not available for use
- Building, equipment and fixtures are not maintained
- You are asked to operate machinery and handle materials without proper training

**If so, speak up.**  
Report if you experience or observe any of these situations

- 1 Talk to a co-worker, supervisor, or authorized worker representative
- 2 Contact Walmart anytime, anywhere—  
Email: [ethics@wal-mart.com](mailto:ethics@wal-mart.com)  
Visit: [walmartethics.com](http://walmartethics.com)  
Call: 800-WM-ETHIC (963-8442) from the US or Canada
- 3 Contact appropriate governmental authorities

Walmart



## INVESTIGATIONS AND COMMITMENT TO OUR SUPPLIERS

Suppliers have the important responsibility of overseeing compliance throughout their supply chains and correcting any non-compliance, including in the plants that make products for the company.

We monitor supplier facilities through audits and investigate any possible violations to our **Supplier Standards** under our risk-based approach. This implies that suppliers with high-risk facilities located in countries having greater potential risk and which merchandise is imported directly to Walmart must present audits more frequently.

We, on the other hand, evaluate the findings in each audit report presented. Non-compliance and lack of remediation may have consequences, including the termination of the commercial relationship between the supplier and Walmart, and/or the possibility for the plant to produce merchandise to be sold by our company.

For more information about the initiatives we implement with different industries worldwide, visit our website **Responsible Sourcing**.



Those suppliers who are obligated to present an audit must work with an eligible program, follow program instructions, and send the full report to the company



# CONSUMER PROTECTION

## LABELING

GRI 414: 103-1, 103-3, 416-2, 417-1, 417-2, 417-3, 419: 103-1, 103-2, 103-3, 419-1  
SASB FB-FR-270A.1

In keeping with our Policy on Labeling, reviews are conducted on the product labels and packaging used for Private Brands, to guarantee that all information provided is clear and correct, pursuant to applicable legislation and so this information does not mislead our customers.

Likewise, the teams that develop these products are trained annually, regarding the principles of Consumer Protection, the importance of complying with the specific Standards of each product is communicated and the corresponding information of those that most impact the business is exemplified.

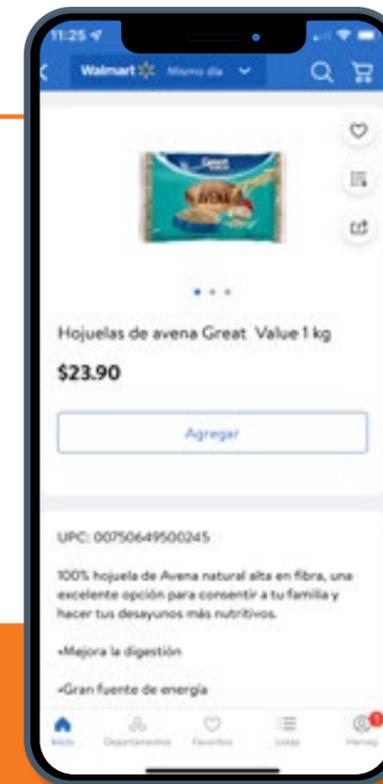
We verify that product labeling is in adherence to legislation in force. There are also guidelines for compliance with laws that govern labeling, and we train our associates so they are informed on the regulatory requirements to be followed.

### The primary labeling requirements include:

Content, especially regarding substances that may cause any environmental or social impacts



Origin of product components or service



Product or service safety instructions



GRI 417-3

### MEXICO

In Mexico, 100% of Our Brand products are validated by third-party agencies who provide validation or issue a certificate of compliance with overall labeling regulations and with specific standards per product.



### CENTRAL AMERICA

We focus on five major categories due to volume and product sensitivity:



National food products and beverages



Imported food products and beverages



Hygiene products



Cosmetics



Pharmaceutical products



### AGREEMENT ON BEST TRADE PRACTICES

It is a source of pride for Walmart to work every day with more than 86,000 suppliers, who are our commercial allies and key to fulfilling our mission and commitment to helping families in Mexico save money and live better.

Mindful of our goal to care for them and maintain a healthy relationship between buyer and suppliers, we are part of the Agreement on Best Trade Practices, which encompasses 16 points, which we are committed to honor. We also have the figure of Promoter of Good Practices to support our buyers when solving conflicts with suppliers.



Throughout the year we invite our buyers to follow basic advice that helps strengthen the commercial relations with our suppliers:



#### 1. Respond, always

We stress the importance of always responding in writing to the supplier.



#### 2. Conduct clear agreements

At the end of a meeting, always have in writing the agreements reached, either via email or with the minutes of the meeting.



#### 3. Price changes

Provide a written response for the supplier vis-à-vis any price changes.





## Our objective is to maintain company information secure through enhanced understanding of this subject and corresponding guidelines by our associates and business partners

We guarantee protection for information and information systems against unauthorized access, use, alteration, modification, or destruction, thus providing confidentiality, integrity, and availability.

Vulnerabilities present in company information assets are identified and managed with the following elements in mind: vulnerability-analysis scheduling; results documenting; and results classifying, with attention prioritization based on the severity of the risk.

Moreover, guidelines are provided for the design of vulnerability remediation plans; for penetration-testing protocols for critical assets; and for documentation of test results, requesting correction of any opportunities detected.

The time needed to create identities is reduced, thereby guaranteeing the uniqueness of over 170,000 associates. Furthermore, we guarantee faster access removal for those associates whose work contract has been terminated, in addition to having control over unauthorized access to tools and apps by suppliers.

We also ensure best practices are followed to identify risks, protect information, detect suspicious activities, in addition to being prepared to respond to future incidents.

Our company has policies, standards, procedures and information security guidelines, with the purpose of regulating and raising awareness among our associates and suppliers concerning the importance of the information and the technological resources used in the company. Our associates are offered training so they may better understand the importance of adopting behaviors in line with our information security guidelines.





## Our Audit and Corporate Practices Committees are committed to the strategy of information security

Thus making the review process a fundamental part of their activities. A review is conducted every three months of all mitigation initiatives, trends, risks, and strategies. Furthermore, each market where we operate has its own information security leader who is also part of the committee that reviews and defines the cybersecurity strategy.

Our ecosystem is complex, as we handle millions of transactions per day. Each year we receive upwards of 1.5 billion global cyberattacks. Subsequently we have business continuity plans, enabling us to establish controls that supply the tools and resources needed to resume critical activities after any contingency jeopardizing operability of crucial processes by impacting the pillars of continuity: associates, facilities, systems, and third parties. Moreover, safety and surveillance incidents regarding the data extraction with unauthorized or coded devices are closely monitored.

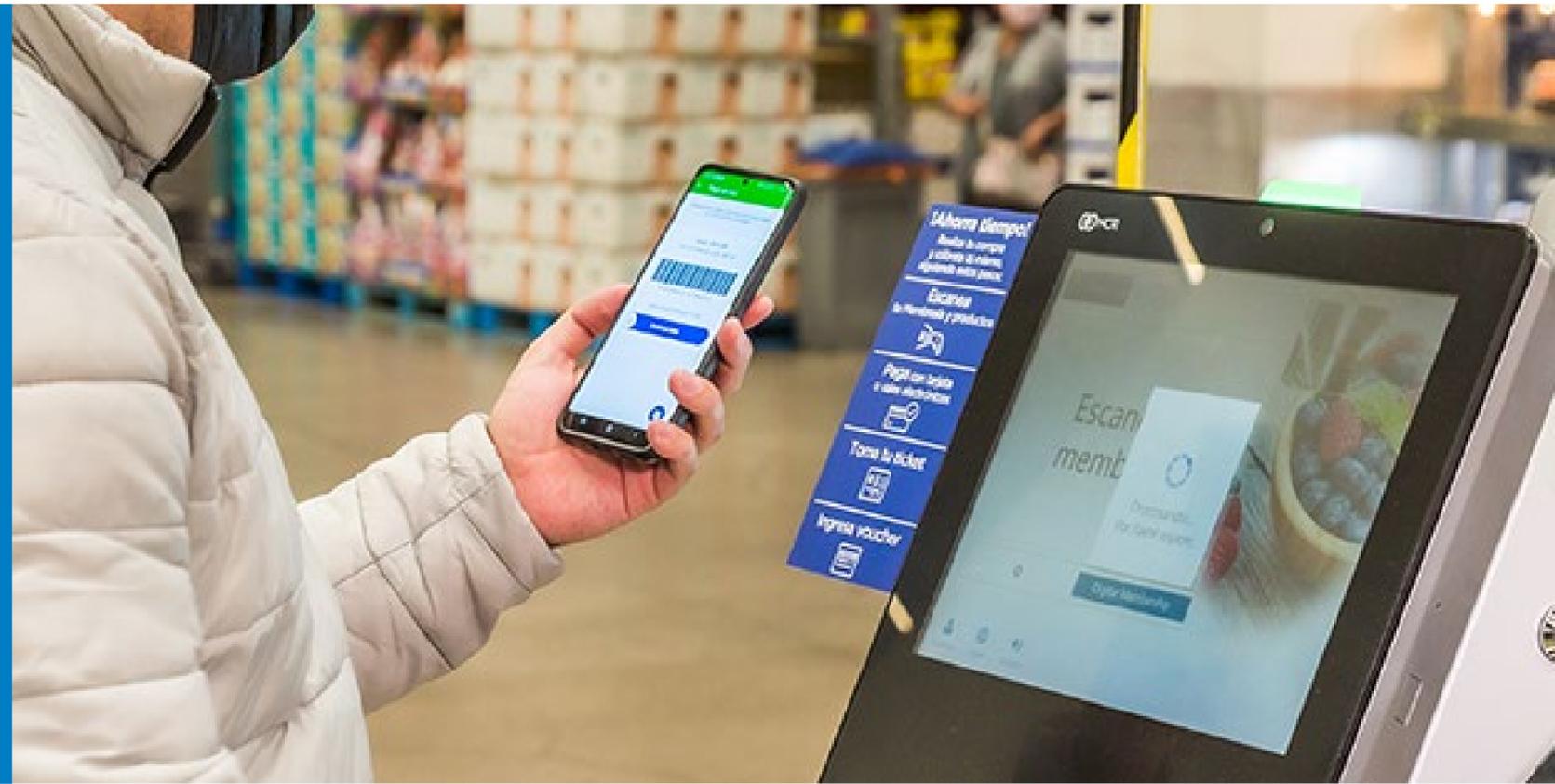
In 2021, vulnerabilities were reduced by 57%, as compared to 2020. Annual certification from PCI Security Standards was obtained, with no findings noted. Our NIST CSF (National Institute of Standards and Technology Cyber Security Framework) maturity level was improved, going from 3.64 obtained in 2020, to 3.83 in 2021, where level 4 is the highest for this benchmark. We are working jointly with Infosec International on the consolidation of our response and prevention protocols to improve our reaction capabilities regarding any ransomware attack.

Insofar as security, information requests on internal and external audits doubled. We were audited 22 times by the Internal Audit team and outside financial-sector agencies so we could provide proof of compliance regarding banking correspondence services, in addition to independent audits relative to NIST, Sarbanes & Oxley, and PCI (Payment Card Industry).





# DIGITAL CITIZENSHIP



In 2021, we continued working with the global area of Digital Citizenship. This area focuses on ensuring data management and technology based on our goal of being the most reliable omnichannel chain.



DIGITAL DIGITAL  
DIGITAL DIGITAL  
DIGITAL DIGITAL  
DIGITAL DIGITAL



Digital Citizenship advises the company on matters related to privacy; the ethical use of data and governing the same; emerging technologies; cybersecurity; and record management. It is charged not only with legal ramifications related to the use of data or technology in any specific manner, but also the effect of its use on our relationship of trust with our customers and stakeholders.

Our goal is to create and maintain the trust of customers, associates, and communities alike regarding the use of technology and data, always in keeping with our values of services, excellence, integrity, and respect for the individual.

Technology will continue to modify the way we work, however, our values are steadfast. Our Commitment to Digital Trust is the foundation to earning and keeping the trust of our customers in an omnichannel world that is data and technology driven.

**These commitments have four key areas of focus:**



**Promoting equality**

Configure decisions on new technologies, services, and data utilization -as per guidelines from the Digital Citizenship team of Walmart– so they are aligned with the Commitments for Digital Trust of Walmart.



**Cybersecurity**

Protect our digital information and infrastructure against hacking, through compliance with third-party standards, incident reporting policies and scaling practices, vulnerability testing, and continuous improvement.



**Privacy protection**

Maintain policies and controls for the use and exchange of customer and associate information, so as to create trust and to safeguard confidentiality while also providing excellent customer service.



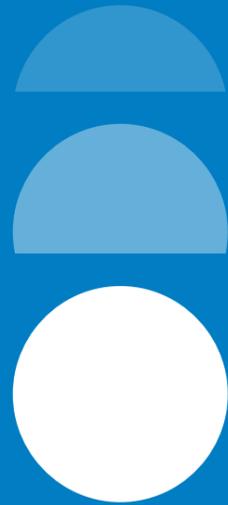
**Managing data, records, and information**

Backup the use of data and technology through policies and procedures, associate training, monitoring, and evaluation.



# RISK ASSESSMENT

GRI 102-111, 102-15, 102-30



ASSESSMENT ASSESSMENT ASSESSMENT ASSESSMENT ASSESSMENT



Each year, Global Auditing Services conducts a Risk Assessment through the use of methodology established by Walmart Inc., adapting it to the reality of Mexico and Central America



### External risk factors



#### Economic

Financial markets, unemployment, mergers, and acquisitions



#### Political

Government/politician changes, legislation, and regulations



#### Environmental

Natural disasters such as hurricanes, earthquakes, and global warming



#### Technological

Emerging technologies representing competitive advantages or disadvantages



#### Social

Demographic or social behavioral changes



#### Competitors

Financial conditions, competitive market share, and new players in the market

### Internal risk factors



#### Compliance

Regarding legislation, regulations, internal policies and standards



#### Technology

Availability and integrity of systems and data, development and implementation



#### Processes

Complexity, automation levels



#### Personnel

Associates' competencies, fraud, safety and hygiene



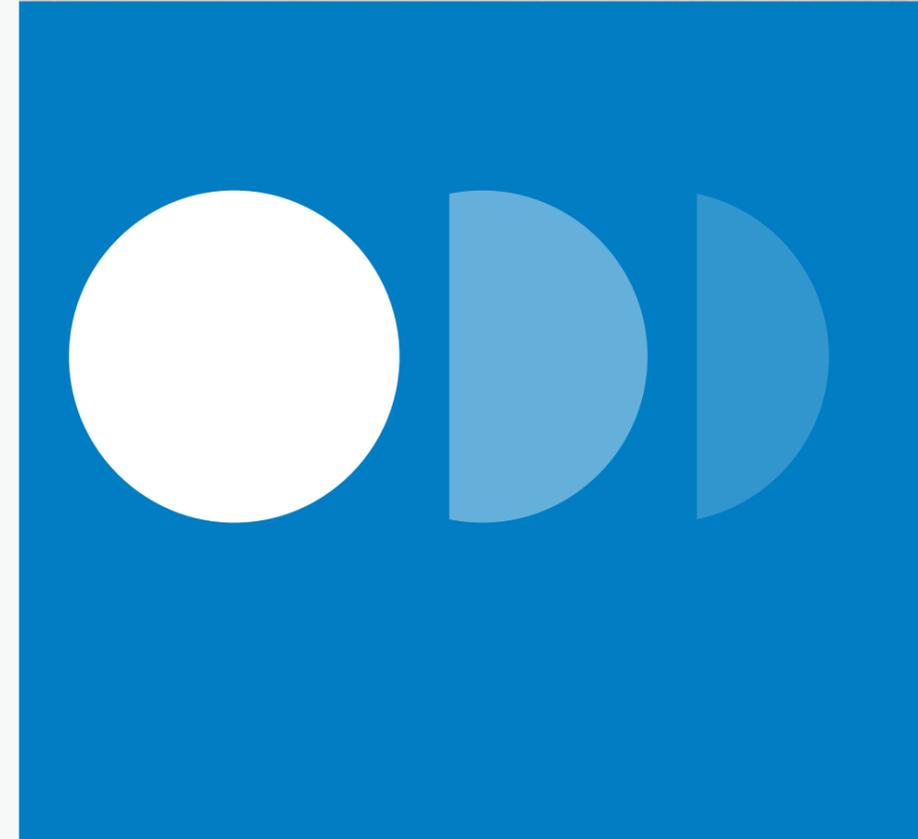
#### Infrastructure

Asset availability



**The importance of the top eight risk categories is considered:**

<p><b>1</b> <b>Regulatory compliance</b> Compliance with laws and regulations</p>	<p><b>5</b> <b>Impact of operating areas on the core business</b> Losses (encompassing performance risks and financial conditions) stemming from inadequate or failed internal processes, its people, and systems that support core-business functions</p>
<p><b>2</b> <b>Financial certainty</b> Effectiveness of company's financial reports</p>	<p><b>6</b> <b>Strategy</b> Relative to top-level goals and aligned with the company vision</p>
<p><b>3</b> <b>Customer confidence</b> Actions or conditions that erode the trust that customers have in the brand, our company vision, or in our position within the community</p>	<p><b>7</b> <b>Internal compliance</b> Compliance company policies and procedures, agreements, business ethics and behavior standards, and other voluntary corporate regulations</p>
<p><b>4</b> <b>Impact caused by business operation-support areas</b> Interruptions stemming from processes and other inadequate or failed voluntary internal standards of the company, its people, or systems within business support functions</p>	<p><b>8</b> <b>Efficiency and effectiveness</b> Optimization of company resources to support the mission of the company and returns for its shareholders</p>





Furthermore, we take into account the risk considerations that help define the magnitude and probability of losses stemming from unfavorable events or activities such as:

 <p><b>Operating alterations</b> Events such as disasters, acts of terrorism, interruptions in primary supplier operations, failed process changes, system failures, and prolonged adverse climate conditions</p>	 <p><b>Automation level</b> Business dependency on systems and technology, historical credibility, capability to return to manual alternatives, and adoption rate of emerging technology by the organization</p>	 <p><b>Process changes</b> The maturity of processes within the organization, process change management, quality assurance functions, expertise of process owners, process documentation</p>
 <p><b>Impact or profits</b> Competitive pressures, economic market conditions, financial management, business model sustainability</p>	 <p><b>Customer Insight</b> Concerns expressed by business and technology leaders</p>	 <p><b>History of audit findings</b> Issues identified during previous audit processes that are material to the company or a component susceptible to being audited, administration mindset, status of remediation efforts</p>
 <p><b>Impact on strategic initiatives</b> Changes in leadership, lack of access to capital or lack of liquidity, competitor actions, overall changes in economic conditions, and adverse actions by foreign governments</p>	 <p><b>Compliance requirements</b> The ability of the organization to comply with laws, regulations and policies; frequency with which fraud, illicit, or unethical cases take place; changing legislation; recurring liabilities and litigation, unsafe products or handling, etc</p>	 <p><b>Other risk assessments</b> Results from assessments conducted internally and externally, that are material to the company and components susceptible to being audited</p>
 <p><b>Changes in leadership</b> Results from record changes in leadership, succession planning, training, and development</p>		 <p><b>Perceptions of GFTs</b> The Global Functional Teams (GFT) provide guidance in the way of questionnaires, newsletters, interactive meetings, etc.</p>



## ENTERPRISE RISK MANAGEMENT (ERM)

Part of the culture of Walmart de México y Centroamérica is reasonable and responsible risk-taking during the day-to-day business, with sights set on the future. Furthermore, it is fundamental to our continuous innovation, growth and compliance with strategic objectives. In conjunction with different business leaders, the Executive Committee manages, monitors, and actively evaluates the risks that could affect our company during the ERM (Enterprise Risk Management) exercise, which was first implemented in 2020. Ever since then, Risk Owners have undergone training sessions with the central ERM team. The methodology and process are in keeping with those of Walmart Inc., to guarantee the proper use of best practices tried and proven in our markets.

Risk structure is considered for the short, medium, and long terms, and is divided into five categories. The impact and probability that these risks may occur are periodically evaluated. Action plans are designed and verification that implementation actually helps in risk control and establish limits.

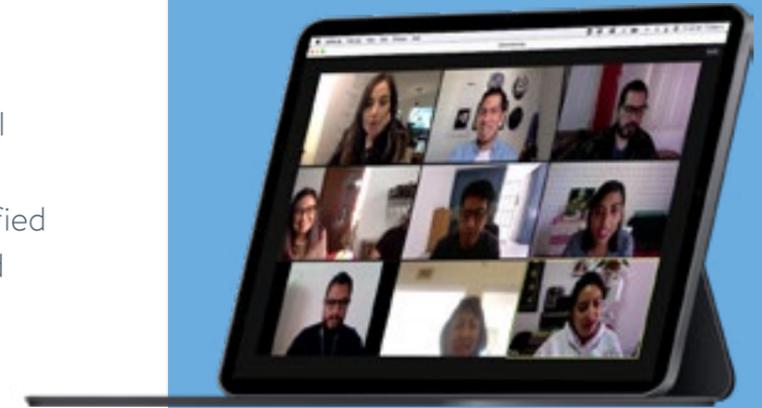


The risk assessment process consists of three major steps and is conducted every quarter:



### 1. Evaluation

Risk managers and the central teams are called together to reassess risk previously identified and any new ones; impact and probability are then scored.



### 2. Report

Risks are recorded under an impact/probability matrix; then risks are classified by priority, providing this “Risk Register” to Risk Owners so they in turn may review the status.



### 3. Management

The mitigation needed is determined, action plans designed with and assigned head, and Risk Champions, jointly with the Executive Committee, oversee the execution.



This assessment led to the identification of priority risks in the short, medium, and long terms, for example, the risk of an increase in the cost of doing business and interruptions in the supply chain

**The following is an example of the ERM process:**



**The ERM process considers five categories**

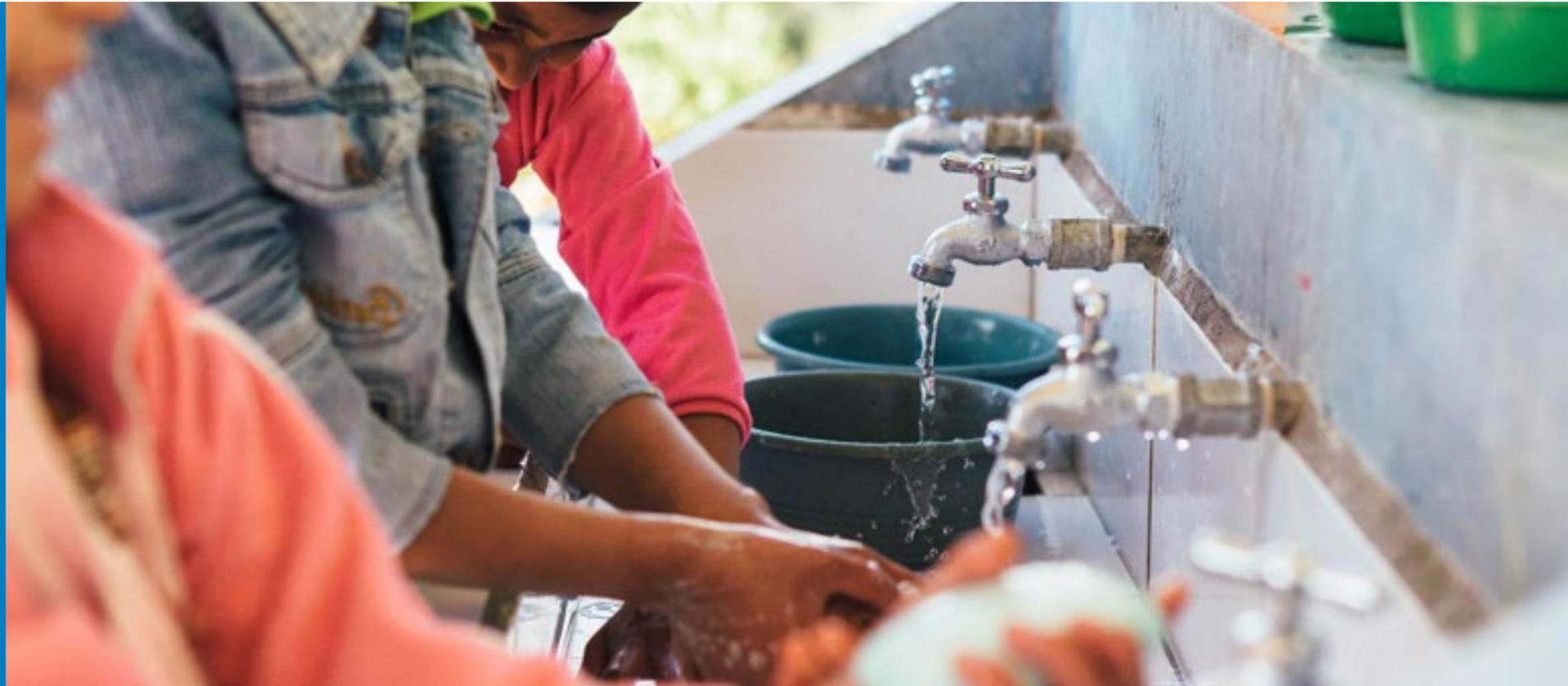


\*Includes COVID-19 impact and any other natural disaster or cases of force majeure



# STATEMENT ON HUMAN RIGHTS

GRI 411:103-1, 103-2, 103-3, 411-1 412:103-1,103-2,103-3



We respect all human rights and strive to use our capacities and influence to help individuals and communities live better.

In line with our values of respect, integrity, service, and excellence, we firmly believe all people are equal and are born with certain inherent rights. The respect for human rights is essential to earn and maintain the trust of our customers, associates, and stakeholders.

Furthermore, we believe that by creating positive opportunities for people contributes to creating important and lasting corporate values: our business prospers when our associates, the people who are part

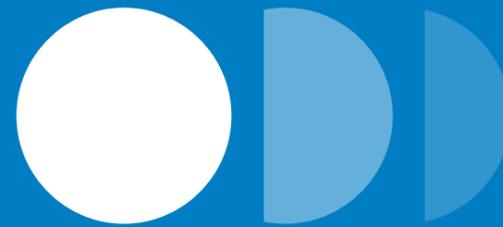
of our supply chain, our customers, and all communities prosper as well.

We published our Statement on Human Rights in 2018, which confirms our respect for human rights and articulates our Culture and Beliefs, based on international instruments such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the International Labor Organization Declaration on Fundamental Principles and Rights at Work of 1998.



# CORPORATE GOVERNANCE

GRI 102-18



CORPORATE GOVERNANCE  
CORPORATE GOVERNANCE  
CORPORATE GOVERNANCE  
CORPORATE GOVERNANCE



Our company is built on the foundations of integrity and the highest of standards in ethics; we always guarantee strict adherence to all applicable legislation in those countries where we are present



## BOARD OF DIRECTORS

GRI 102-22, 102-24, 405-1 SASB CG-EC-330A.3, CG-MR-330A.1

### Makeup and frequency

- The Board is comprised solely by statutory members
- Members are appointed each year by the Ordinary Shareholders' Assembly
- Independent Directors must constitute a minimum of 25% of total amount; at December 31<sup>st</sup>, 2021, 55% of all Directors are independent
- Minority shareholders, whose shares represent a minimum of 10% of owners' equity have the right to choose a Director, who in turn may be removed only when other Board members are so removed
- At the close of 2021, 29.49 % of company shares are traded among the investor public
- The participation of officers of the company and its subsidiaries is limited, only to that of the executive president and general director
- The Board of Directors meets a minimum of four times a year; during 2021 they held five meetings. The average attendance at these meetings was 85%
- The average time the Directors remain on the board is 5.45 years

\*\* This Board shall remain in effect until the next annual shareholders' assembly to be held on April 7, 2022

To learn more about the proposals that will be made to the assembly, [click here](#)

**Chairman**

Member since:

- Enrique Ostalé\* 2013

**Members\*\***

- Adolfo Cerezo\* 2012
- Ernesto Cervera\* 2014
- Kirsten Evans 2018
- Guilherme Loureiro 2016
- Richard Mayfield 2015
- Roberto Newell\* 2014
- Eric Perez Grovas\* 2018
- Blanca Treviño\* 2006
- Tom Ward 2021
- Amanda Whalen 2021

\* Independent Director

**36%** of the members are women  
**55%** of the members are independent





**Other practices:**

- Independent Directors are experienced in the core business and strategic areas of the company
- The Board has access to independent consultants
- The Chairman of the Board acts as secretary and does not preside over any Board Committees

The Board of Directors receives the support of two committees for its duties; said committees are charged with in-depth analysis of matters related to its field of expertise and offer recommendations to the Board so it may study the information and make the best decision, creating value for our shareholders and stakeholders.

**Primary responsibilities:**

GRI 405-1, 102-20, 102-22, 102-26, 102-27

 <ul style="list-style-type: none"> <li>• Appoint the President and CEO of the company</li> </ul>	 <ul style="list-style-type: none"> <li>• Work with Top Management to develop overall strategies for the company and its subsidiaries</li> </ul>	 <ul style="list-style-type: none"> <li>• Approve information and communication policies regarding shareholders and the market</li> </ul>
 <ul style="list-style-type: none"> <li>• Act as adviser/consultant for the company's Top Management</li> </ul>	 <ul style="list-style-type: none"> <li>• Oversee management and operation of the company and its subsidiaries</li> </ul>	 <ul style="list-style-type: none"> <li>• Ensure that overall strategy is in line with company principles on ESG</li> </ul>

 We continued working on specific gender equality guidelines for the Board of Directors and on defining proper profiles and improving the selection process for Directors



# AUDIT AND CORPORATE PRACTICES COMMITTEES

GRI, 102-22, 102-35, 102-36, 207-2, 405-1

## Primary responsibilities

- Voice opinions on the hiring of the independent auditor for the company and establishing fees
- Ensuring the existence of a proper internal control system for the company and subsidiaries and that it meets any and all applicable accounting and legal provisions and reviewing company transactions with related parties
- Reviewing financial statements and ensuring they are a true and accurate reflection of the financial situation for the company. There is also a set procedure for receiving, retaining, and responding to claims concerning accounting practices and controls, and any audit-related issues. Moreover, they have the authority and necessary resources to retain the services of legal counsel and any other outside consultant needed to perform their duties
- Reducing the risk of conducting operations such that could affect company worth or result in the granting of favorable conditions to any one group of shareholders
- Approving policies for the use of property pertaining to company net worth
- Authorizing related-party transactions, CEO remuneration, and remuneration policies regarding important company officers
- Serving as support for the Board of Directors in producing reports on accounting practices
- Holding private meetings and receiving periodic reports from Internal Audit, Legal, Compliance, and Ethics
- Calling shareholder meetings and ensuring the order of business includes all points deemed necessary

## Principal requisites and practices

 All members are independent directors, experts in finance, auditing, systems, economics and private equity

 Ensure independent auditors do not provide consultancy services for the Company

 Ensure that the partner from the independent auditing firm that renders the opinion on the financial statements is periodically rotated

## These committees have five Directors, all of them independent

Members at December 31st, 2021

**Chairman**

- Adolfo Cerezo

GRI 102-23

**Members\***

- Ernesto Cervera
- Roberto Newell
- Eric Pérez-Grovas
- Blanca Treviño

\* Independent members





# WALMART DE MÉXICO FOUNDATION BOARD OF TRUSTEES

GRI 405-1, 102-20, 102-22

The Board of Trustee has 10 members, of which four are independent trustees, who meet a minimum of four times a year

The Walmart Mexico Foundation was created in 2003 as a not-for-profit organization that channels community support of the company, assisting in the improved development of different communities through the community support program.



Trustees at Dec. 31, 2021

### Statutory Trustees

\*Independent trustees

- Cristian Barrientos
- Eduardo de la Garza
- Roberto Delgado Gallart\*
- Jorge Familiar Haro\*
- Guilherme Loureiro
- Kathleen McLaughlin
- Alberto Sepúlveda
- Marinela Servitje\*
- José Luis Torres\*
- Adriana Velázquez

### Alternate Trustees

- Mariano Fiscela
- Julie Gehrki





# INDEXES, AWARDS AND RANKINGS

## INDEXES



Member of the  
**S&P/BMV Total Mexico ESG Index**

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

Member of the **Dow Jones Sustainability MILA Pacific Alliance Index** for the **2nd consecutive year**



Member of the **Bloomberg Gender Equality Index**, for the **5th consecutive year**



**FTSE4Good**

Member of the **FTSE4Good Emerging Index**, for the **6th consecutive year**



## AWARDS MEXICO



**Best of the Best award** for Walmart de México y Centroamérica as Retailer of the Year

### EXPANSION

Recognition for the **top 100 Most Powerful Women in Mexico**, for Ivonne Montiel, VP of Central Operations; and for Isela Hernández, VP of HR, Operations



Recognition for **Female Marketing Leaders**, awarded to Alejandra Buenrostro, Director of Marketing for Bodega Aurrera



Recognition with **1st place** by Monitor Empresarial de Responsabilidad Corporativa (Enterprise Monitor for Corporate Responsibility) within the self-service sector, and **3rd place** in the overall list

Certification **Best Places to Work LGBT 2022**



**The Socially Responsible Company award for 2021**, granted by the Mexican Center for Philanthropy, for **21 consecutive years**

**41+1 LGBT Executives award**, given to Bob López, Asst. Director for Culture, and Diversity and Inclusion

Recognition for **The Best Promotion Campaigns 2021**, awarded to Bodega Aurrera for the Bodegazos campaign



Recognition for **Trusted Brands 2021** under the category for self-service stores



Recognition for **the Most Important Chief Marketing Officers**, awarded to Liliana Íñigo, VP of Marketing and Customer Insight



**Recognition for Bodega Aurrera**, for the **Brand Closest to Women**



Reconognition for Leaders in Sustainability awarded to Claudia De la Vega, Director of Corporate Affairs



Éntrale Award 2021 for its **commitment to inclusion, for hiring people with disabilities**

Recognition for the **Top 300 Mexican Leaders**, under the International Company segment, awarded to Guilherme Loureiro, CEO of Walmart de México y Centroamérica

## RANKINGS EN MÉXICO



**3rd in eCommerce** Merca2.0 for Walmart.com.mx

**10th in eCommerce** Merca2.0 for Sams.com.mx



**Platinum ranking** in the **Top 200 socially Responsible Companies**, for the Walmart Mexico Foundation under the Foundations and NGO sector.

**Diamond ranking** in the **Top 200 Socially Responsible Companies** for Walmart and Walmart Express, under the Department Store sector.

**Ranked Head** of Series in the **Top 200 Socially Responsible Companies**, for Walmart, under the Self-Service Stores sector



**2nd in the report Business Progress on the SDGs 2021**

**3rd for Green Companies 2021**



**3rd in Alas20** under the category of **Leading Company in Sustainability**



**5th in Best Companies in LinkedIn 2021**



**RANKING 50**  
Empresas que lideran la sustentabilidad

**1st place** in The **50 Most Sustainable Companies**

### EXPANSION

**3rd in the 500 Most Important Companies in Mexico**, for Walmart de México y Centroamérica

**10th in Super Companies 2021**



**9th in the Top 500 Companies with Best Communication Practices in Mexico**



**7th in Top 100 líderes with the best reputation in México**, for **Guilherme Loureiro, CEO of Walmart de México y Centroamérica**



**5th in The 1000 Most Important Companies in Mexico**



## RECOGNITIONS FOR CAM 2021



*Plan Internacional* recognition for outstanding performance in favor of girls in El Salvador



Recognition for contribution during health emergency and the impact of Lota and Eta hurricanes



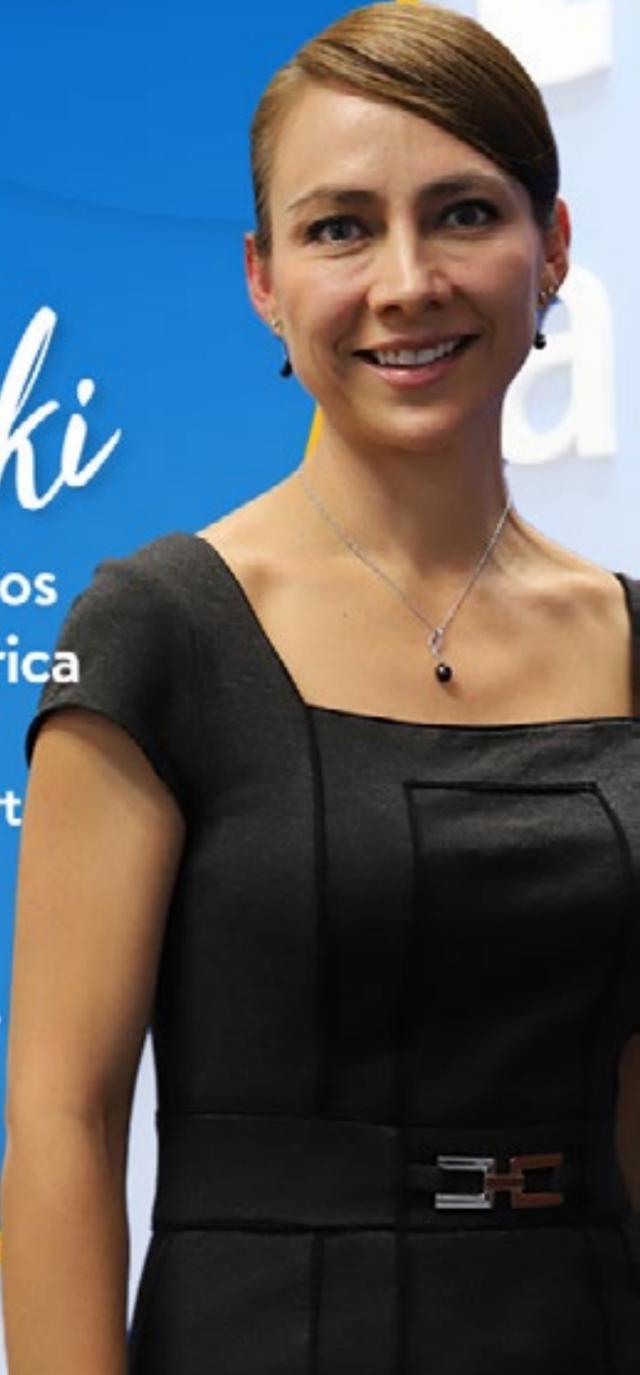
5th in Multinational Companies with the Best Corporate Reputation in Nicaragua



Recognition for commitment to and solidarity with people with Down Syndrome



Recognition for "COVID-19 Vaccination Days in Walmart" for their contribution during the health emergency



Walmart  
México y Centroamérica

# Cristina Ronski

Top 10 de ejecutivos más admirados de multinacionales en Centroamérica

La vicepresidenta Comercial de Walmart Centroamérica, Cristina Ronski, es la tercera ejecutiva más admirada de empresas multinacionales en la región.

Estudio Empresarios Admirados de Centroamérica 2021 de la Revista Estrategia & Negocios



# MANAGEMENT DISCUSSION AND ANALYSIS

2021 was undoubtedly another atypical year that required us to innovate and adapt fast to the environment and to our customers' changing needs, while keeping our associates safe. We are even more convinced that customers want us to bring our stores and eCommerce businesses together in a seamless way that makes shopping easier; and we believe we are uniquely positioned to deliver value through our physical and digital assets.



In Bodega, we offer same-day delivery from store to the most price-sensitive customers via Despensa a tu Casa at more than 220 stores. We launched Walmart Pass and saw a ~2x increase in shopping frequency vs. non-users. We converted 75 stores into Walmart Express. We rolled-out Scan and Go to all clubs, and its penetration doubled since we first launched it.

We are going beyond retail to deliver our purpose to save people money and help them live better. Through Cashi and Bait, we are giving customers access to the digital economy and delighting them with new experiences.

Our strong core business is fueling the ecosystem, and at the same time, the new businesses we are creating drive customer engagement that strengthen the core business to grow and to be more resilient.

We are a growth company, and we will continue to accelerate growth investing behind our strategic plans.

NTMANAGEMENT  
MANAGEMENT  
NTMANAGEMENT



### DISCLOSURE OF NATURE OF BUSINESS

Walmart de México y Centroamérica is a leading retail sector companies in the region.

As of December 31, 2021, it operated 3,620 units, throughout six countries (Costa Rica, Guatemala, Honduras, El Salvador, México, and Nicaragua), including self-service stores, membership clubs and omnichannel sales.

Walmart shares trade in the Mexican Stock Exchange since 1977; the ticker symbol is WALMEX.

### MEXICO

Total revenue in 2021 grew by 6.0% compared to 2020, accumulating an amount of 609.2 billion pesos.

We continue to invest to position our company for the future and build new revenue streams. Gross margin expanded 40 basis points to 23.2% of revenue. SG&A increased 6.8% compared to previous year, as a result of investments in remodels, new stores, talent, eCommerce and technology.

Operating income increased 10.9%, a 9.1% of revenue. EBITDA grew 9.6%, resulting in a margin of 11.4%.

### PERFORMANCE BY REGION

We saw broad-base growth across all regions and merchandise divisions.

The Northern and Southern regions continue to lead in same-store sales growth, followed by the Central and Metro regions.





### PERFORMANCE BY FORMAT

Sam's Club delivered the highest same-store sales growth, on the back of positive new member sign-ups and renewals trends. The team is focusing on offering great products and on working in a more digital way, to further improve members' experience.

Our strategy to Win in Discount is being well appreciated by customers. The combination of the lowest prices and efficient assortment, together with a low-cost operation, is translating into strong growth and market share gains. In 2021, we expanded Bodega's price gap by 80 basis points, marking a record high. We are very proud of the team for this achievement; they are really making a difference for our most price sensitive customers.

During the year, we converted 75 Superama stores into Walmart Express, and opened four new stores under this format. The transition period was challenging, shopping experience is not ideal when remodel works are undergoing, and this translated into softer sales. It is good to see that customers are appreciating the changes we made in pricing and shopping experience. We lowered prices on basic items and enabled features that allow customers to have a fast, convenient shopping trip, such as self-scanning stations and digital tools.

We see that stores that were converted into Walmart Express during the first half of last year are showing a positive trend, and even surpassing the level of sales they had before the conversion, which is encouraging. We are monitoring very closely customer feedback to the new format and adapting as needed.





### PERFORMANCE BY DIVISION

Among merchandise divisions, the three divisions grew. Apparel delivered the highest growth, followed by General Merchandise, and Food and Consumables.

We continue to make significant progress on driving price gap leadership, and we are helping customer afford basic basket items by offering the lowest prices. During 2021, we widened our price gap by 50 basis points, despite the high level of inflation we are experiencing. Our Private Brands sales grew 13.5% and their sales penetration increased 90 basis points.

### OMNICHANNEL

2021 was tough to predict in every aspect, even more on the eCommerce front, as we did not know how customers would behave after the strong growth we saw in 2020. The team did a great job of implementing our long-term strategy while executing amid a changing environment.

During the year, eCommerce sales grew 36% and GMV 40%, which results in a +200% two-year stacked growth.

eCommerce now represents almost 5% of Mexico sales, which compares to 1.5% in 2019.

We are tailoring the omnichannel experience to the different customers we serve. According to Euromonitor 2021 data, we were able to win 190 basis points of market share on the eCommerce space. This result indicates our customers are appreciating what we are doing.

It was a year of consolidation for On Demand. We are now offering the service in about 120 cities through more than 760 stores, covering almost 70% of our big-box formats.

One of the key strengths of our On Demand operation is being able to deliver perishable items in just hours, maintaining their freshness and quality; this is made possible by our footprint: we have stores 10 minutes away of 88% of the population in top cities. To further improve customer experience, we started a program called “Picker del Campo” in 160 stores, to train our associates and equip them with the necessary tools to make better selection of Fresh items. So far, we have seen an increase in shopping frequency of 50 basis points as a result of the program.

We extended our crowdsourcing model to +170 stores, and it is now available in all our formats, including Sam’s where we are running a pilot test in 12 clubs.

Walmart Pass is progressing, daily subscriptions doubled quarter on quarter, and we continue to see an uplift in frequency and ticket in users when compared to non-users.



We are investing in technology to improve customers’ experience. During the year, we merged Bodega’s On Demand and extended assortment platforms into one app and customers like the initiative, the app’s user rating increased 40 basis points.

Our focus remains on accelerating extended assortment. We more than doubled the number of sellers and tripled the number of SKUs vs. last year. We enabled almost 90 virtual stores with exclusive brands and items, and we moved forward with the cross-border trade operation, adding almost 1 million SKUs.



### PERFORMANCE VS. THE MARKET

We are proud of the years' results. For the eighth consecutive year, we were able to surpass ANTAD's (Asociación Nacional de Tiendas de Autoservicio y Departamentales) self-service and clubs' segment same-store sales growth.

Our gap vs. the market's growth was 200 basis points. If we see performance on a two-year stack basis, our gap was 360 basis points.

### CENTRAL AMERICA

Note: Sales growth percentages related to Central America are determined on a constant currency basis.

Total revenue reached 126.8 billion pesos, a growth of 8.1% compared to the previous year.

All countries delivered same-store sales growth. Honduras was the country with the highest growth and El Salvador the lowest, yet still strong growth.

The biformato strategy is delivering good results. The changes we have made to the commercial offering in terms of catalogue, opening price points and price gap, are being well received by customers and we are seeing a positive trend in market share gains. Private Brands are a very important element of our strategy: we were able to increase sales penetration by 200 basis points this year.

Gross margin decreased 10 basis points, representing 24.1% of revenue, in line with execution of the Biformato strategy in the region.

This year we managed to leverage 20 basis points in SG&A compared to 2020, thanks to the business simplification approach, which has generated savings and operational efficiencies for us. Operating income remained at 5.8% of revenue, a 7.5% growth vs. the previous year.

EBITDA represented 9.1% of revenue, a 5.4% growth compared to 2020.



### ECOSYSTEM

Our ambition is to earn customer loyalty by offering the leading omni-driven ecosystem that creates sustainable profitable growth. Last year we made great progress on three of the verticals: Cashi, Bait and Walmart Connect.

We are building products and services with the customer at the center that connect to our core business in a mutually reinforcing way.

In December, we launched a pilot together with a third-party, to disburse credit via Cashi in almost 30 Walmart and Bodega stores. We are granting up to 6,000 pesos credits so customers can shop for their favorite items and pay for them later. We are just getting started and results are encouraging. We will continue to test and learn from customers' response to fine tune the product.

Through Bait, we are providing low-cost connectivity services, including prepaid mobile and home internet, to unlock access to the digital economy.

In 2021, we reached 2.3 million users. We launched an out-of-store distribution channel to expand our reach and we will continue to focus on user acquisition going forward.

Walmart Connect grew the number of advertisers by about 50% and the number of campaigns by almost 80% during the year.



### ENABLERS

We are strengthening our logistics capabilities to reach customers faster and to increase productivity and efficiency.

In 2021, we opened the Santo Niño distribution center in Mexicali, which will reinforce our supply chain operations in the Northern region. The new DC has capacity to process over 5 million boxes per month and will supply 50 Walmart and Bodega Stores. With this new DC, we expanded our capacity to serve customers in an omnichannel way by 17%.

We also started the construction of a new omnichannel distribution center in Tlaxcala, which is expected to start operations in 2024. We are making a 3 billion pesos investment on the DC, of which ~20% will be allocated to technology and innovation. The new DC will create more than 1,200 direct jobs and 700 indirect jobs.



### NEW STORES AND PROJECTS

Despite the challenges to perform construction works during the pandemic, last year we increased our sales area by 140 thousand square meters. This is the largest expansion since 2014, which represents a +20% increase vs. the last 6 years average.



In Mexico, we opened 122 stores on the full year, almost twice the number of stores we opened in 2020. Contribution from new stores to consolidated sales growth was 1.3% for the year, in-line with the guidance we provided.

New stores are performing better than expected and we have maintained a high sales to square meter ratio compared to the industry.

It is worth mentioning that all our new protos consider innovations on energy consumption and a specific design for associates and customers with disabilities, and for our omnichannel strategy.

We are innovating to provide new solutions for customers.



### FINANCIAL POSITION, LIQUIDITY AND CAPITAL DISTRIBUTION

2021 was a challenging year for investment given the uncertainty and changing conditions the pandemic brought, yet we remained committed to investing in the region in order to accelerate growth and to create shared value for all our stakeholders.

Throughout the year, we invested 20.5 billion pesos in high return projects to strengthen our business, this represented a 22% increase vs. 2020.

Remodels represented 44%: we are enabling our stores with omnichannel capabilities and keeping them in good shape to improve shopping experience and to ensure the safety of our associates and customers.

New stores represented 23%; as you already heard, we opened 131 new stores during the year.

Investments in technology and eCommerce represented 16% of total, as we decided to accelerate strategic projects such as the rollout of antennas to improve the wireless network, the replacement of equipment and components to support new functionalities, back-office transformation and a new data platform.

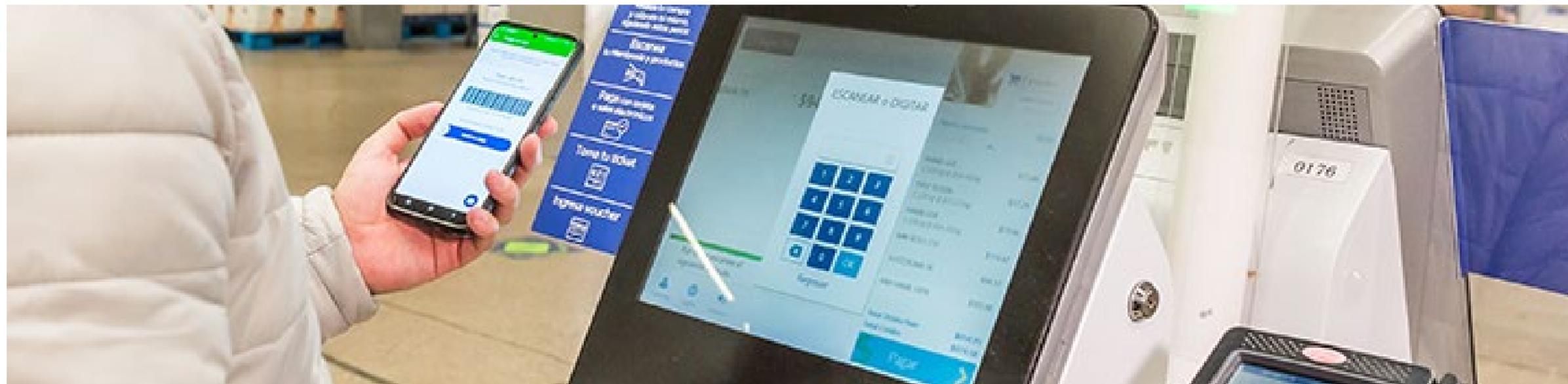
Nevertheless, overall CapEx exercise was 8% below the guidance, because we decided to move the implementation of some logistics projects to 2022.

Inventories increased 17.5% to 80.3 billion pesos, as we lapped lower inventories and traffic in 2020 due to COVID-related effects and to the opening of 55 new stores during the 2021 fourth quarter.

Additionally, we are still experiencing supply chain disruptions, given the world-wide limitation of containers, so we decided to increase the stock in key categories, such as grocery, consumables and health and beauty, to ensure capacity.

During 2021, we were able to generate 72.8 billion pesos in cash and our working capital required 3.1 billion pesos due to the increase in inventories.

We paid 14.0 billion pesos in taxes and ended the year with a cash position of 42.8 billion pesos, which represents a 20.0% increase vs. 2020.





# REPORT BY THE AUDIT AND CORPORATE PRACTICES COMMITTEES

**Board of Directors, Wal-Mart de México S.A.B. de C.V.**

**Present.**

**Dear Sirs.:**

In compliance with article 43 of the Securities Market Law (LMV) and the internal regulations of the Committees I oversee, with approval from the Board of Directors for Wal-Mart de México, S.A.B. of C.V. (which together with its subsidiaries hereinafter is the Company), we hereby inform you of the activities undertaken during the reporting period ending in December 31st, 2021.

Throughout the work conducted, in addition to that stipulated under the LMV, we have always abided by that contained under the Code of Best Corporate Practices, issued by the CEC (Coordinating Business Council); the Company Code of Ethics; the General Internal Regulation of the Mexican Stock Exchange; and the general provisions stemming from the LMV.

In compliance with our oversight process the Audit and Corporate Practices have conducted quarterly regular meetings to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and supplementing our participation in said meetings throughout the year with the office of the CEO, Finance, Legal, as well as the reports presented by the principal officers of the Company as requested by us, such as the following:

We were kept informed by the management of the Company, with no observations made, on the following:

**I. Corporate Practices,**

- a) Evaluation processes for relevant officers.
- b) The transactions with related parties, during the reporting period, with an itemized description of the characteristics of significant transactions and their corresponding transfer pricing studies. Those items are mentioned in the corresponding note of the Financial Statements.
- c) Emolument packages or total compensation of the General Director and relevant officers.
- d) The compensation plan update, including incentives for both, long and short terms for subsidiaries employees and its related parties.
- e) The results of the transfer pricing study 2021 for Mexico and Central America, informing that all its operations were made accordingly.
- f) The Board of Directors granted no dispensation whatsoever to any Director, executive, or anyone with a position of authority, as indicated under article 28, section III, paragraph f ) of the LMV.

## II. Audit matters:

- a) We analyze the status of the internal control system and were informed in detail of the programs and development of internal and independent audit work done.
- b) As well of the primary aspects requiring improvement and follow-up on the preventive and corrective measures implemented by Management. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.
- c) We evaluated the performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company financial statements and their adherence to International Financial Information Standards. With regards to the same, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality. Additionally, and prior to starting the services, we evaluated the independence requirements of intellectual and economic action necessary, so we recommended the appointment to examine and issue the report on the financial statements of the Company.
- d) We were informed of the additional or complementary services that the abovementioned auditors provided to the Company in 2021, considering that the provision of these services did not detract from their independence and were not substantial.
- e) We reviewed the Company's quarterly and annual financial statements and recommended their approval by the Board of Directors for publication.
- f) We were informed of the accounting policies approved and applied during the fiscal year 2021.
- g) Follow-up was also given to all relevant observations made by shareholders and members of the board of directors, relevant directors, employees of the Company, and in general from any other third party, regarding accounting, internal controls and issues related to internal or external audit matters.

- h) Follow-up to agreements of the shareholders and of the board of directors of the Company.
- i) We were informed on the legal contingencies to which the Company is exposed, and which are recognized in the financial statements as per the probability of occurring.
- j) We were informed about the progress regarding cyber security.
- k) Lastly, we were informed periodically on Ethics and Compliance matters and the measures adopted by the Company to reinforce these aspects.

Based on the work completed and the opinion issued by outside auditors, we feel that the accounting and information policies and criteria followed by the Company are suitable and sufficient and that they have been consistently applied; as a result, the information presented by the CEO is a reasonable reflection of the Company's financial situation and results.

Due to all the aforementioned, we recommend that the Board of Directors present the financial statements for Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the period ending December 31st 2021, to the General Annual Shareholders Assembly for their approval.

Sincerely,

**Ing. Adolfo Cerezo.**

Chairman of the Audit and Corporate Practices Committees  
México City, February 16, 2022.



WAL-MART DE MÉXICO, S.A.B. DE C.V., AND SUBSIDIARIES

# CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2021 and 2020

With Report of Independent Auditors

## CONTENTS:

Report of Independent Auditors

## Consolidated Financial Statements:

- Statements of Comprehensive Income
- Statements of Financial Position
- Statements of Changes in Equity
- Statements of Cash Flows
- Notes to Financial Statements

CONSOLIDATED  
CONSOLIDATED  
**CONSOLIDATED**  
CONSOLIDATED



# REPORT OF INDEPENDENT AUDITORS

## TO THE SHAREHOLDERS OF WAL-MART DE MÉXICO, S.A.B. DE C.V.

### OPINION

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries (hereinafter “the Company”), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries as at 31 December 2021 and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### BASIS FOR AUDIT OPINION

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent from Wal-Mart de México, S.A.B. de C.V. within the meaning of the Code of Ethics for Accounting Professionals of the International Ethics Standards Board for Accountants (IESBA) and the ethical requirements applicable to our audit of the consolidated financial statements in Mexico established by the Code of Ethics of the Mexican Institute of Public Accountants (IMCP, Spanish acronym) and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### IMPAIRMENT ASSESSMENT OF PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS, INVESTMENT PROPERTIES AND INTANGIBLES

#### Description and why it was considered a key audit matter

We have considered as a key audit matter the impairment analysis of property and equipment, right-of-use assets, investment properties and intangibles, because the determination of the recovery value is complex, it involves a high degree of judgment from the Company’s



management and requires significant judgments and assumptions to be made that are affected by future conditions, such as profitability and economic conditions, discount rates, operating margins, the weighted average cost of capital, capitalization rate and others, which are sensitive and are affected by economic changes and market conditions, among other factors. Additionally, the calculation of the recoverable value carries the risk that the future cash flows used in its determination differ from expectations, or that the results are different from the originally estimated values. In addition, the balances of long-lived assets subject to the determination of the recovery value for impairment tests are significant as of December 31, 2021.

Notes 3 and 8 to 11 of the accompanying consolidated financial statements include the disclosures on the impairment assessment of property and equipment, right-of-use assets, investment properties and intangibles.

#### How we responded to the key audit matter

We evaluated the design and tested the effectiveness of significant controls with respect to the impairment analysis process for long-lived assets as of December 31, 2021.

We analyze the assumptions and hypotheses used by the Company's management for the identification and grouping of long-lived assets in each cash-generating unit (CGU).

We evaluated the financial projections of future cash flows used by the Company's management in the impairment analysis of each CGU that we consider within our scope, verifying the information with which said projections were prepared and analyzing their consistency with historical trends and future business plans. We evaluated the composition of the CGUs and the assets subject to impairment analysis assigned within each CGU. We analyzed the key assumptions, considering the sensitivity of those assumptions. We involved our valuation specialists to assist us in evaluating the reasonableness of the key assumptions and the methodology used by the Company's Management in its impairment analysis according to International Accounting Standard ("IAS") 36, Impairment of assets. We independently recalculated the arithmetic

calculations of the valuation models used and analyzed the uniformity of the definition of CGU applied by the Company.

We obtained evidence from the impairment study prepared by the Company's management on its long-lived assets and we evaluated the competence, technical capabilities and objectivity of the management's external valuation specialist.

We also evaluated the adequacy of the disclosures related to the identification and determination of the recoverable value of property and equipment, right-of-use assets, investment properties and intangibles of the accompanying consolidated financial statements as of December 31, 2021.

#### OTHER INFORMATION

The other information comprises the financial and non-financial information (other than the financial statements and our audit report) presented in the annual report by the Company submitted to the National Banking and Securities Commission (the Commission) and in the annual report submitted to the shareholders for the year ended as at 31 December 2021. Management is responsible for the other information. We expect to obtain the other information after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement of the other information contained in the Annual Report filed with the Commission and/or in the annual report submitted to the Company's



shareholders, we are required to report that fact to those charged with governance and to describe the matter in our statement on the Annual Report required by the Commission.

## RESPONSIBILITIES OF MANAGEMENT AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is who signs this report.

Mancera, S.C.  
A Member Practice of  
Ernst & Young Global Limited

**Carlos Carrillo**

Mexico City,  
February 16, 2022



## WAL-MART DE MÉXICO, S.A.B. DE C.V., AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands of Mexican pesos)

	For the years ended December 31	
	2021	2020
Net sales	\$ 730,352,316	\$ 696,710,854
Other revenues (Note 19)	5,691,707	5,023,310
Total revenues	736,044,023	701,734,164
Cost of sales	(564,204,300)	(539,694,249)
Gross profit	171,839,723	162,039,915
General expenses (Note 20)	( 110,181,077)	(105,041,809)
Income before other income and expenses	61,658,646	56,998,106
Other income	2,142,255	1,069,547
Other expenses	( 893,243)	(620,372)
Operating income	62,907,658	57,447,281
Financial income (Note 21)	2,218,277	3,512,917
Financial expenses (Note 21)	( 7,830,287)	(11,496,111)
Income before income taxes	57,295,648	49,464,087
Income taxes (Note 16)	( 13,157,576)	(16,029,226)
Consolidated net income	\$ 44,138,072	\$ 33,434,861

	For the years ended December 31	
	2021	2020
Other comprehensive income items:		
<b>Items that do not reclassify to profit or loss of the year:</b>		
Actuarial results on employee benefits, net of income taxes	\$ 193,834	\$ ( 423,816)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Cumulative translation adjustment	184,327	( 305,573)
Other comprehensive income (loss)	378,161	( 729,389)
Comprehensive income	\$ 44,516,233	\$ 32,705,472
Basic earnings per share (in pesos)	\$ 2.528	\$ 1.915

The accompanying notes are integral part of these financial statements.



## WAL-MART DE MÉXICO, S.A.B. DE C.V., AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in thousands of Mexican pesos)

	December 31,			December 31,	
	2021	2020		2021	2020
Assets			Liabilities and equity		
Current Assets:			Current liabilities:		
Cash and cash equivalents (Note 5)	\$ 42,816,535	\$ 35,670,360	Accounts payable	\$ 96,637,884	\$ 92,356,297
Account receivable, net (Note 6 and 12)	16,827,238	16,993,754	Short-term lease liability	3,438,469	3,216,799
Inventories, net (Note 7)	80,316,969	68,360,474	Other accounts payable (Note 13)	29,535,182	24,840,589
Prepaid expenses and other assets	856,849	700,350	Income taxes payable	3,096,932	2,656,232
Total current assets	140,817,591	121,724,938	Total current liabilities	132,708,467	123,069,917
Non-current assets:			Long-term liabilities:		
Property and equipment, net (Note 8)	140,496,598	134,828,617	Leases and other long-term liabilities (Note 15)	65,060,266	60,706,593
Right-of-use assets (Note 9)	54,137,508	50,319,784	Income tax liabilities (Note 16)	8,416,192	6,402,935
Investment properties, net (Note 10)	5,583,846	6,305,920	Employee benefits (Note 17)	2,322,543	2,584,963
Intangible assets, net (Note 11)	38,758,049	37,552,016	Total liabilities	208,507,468	192,764,408
Deferred tax assets (Note 16)	12,374,229	9,108,261	Equity (Note 18):		
Other non-current assets	2,221,650	2,043,565	Capital stock	45,468,428	45,468,428
Total assets	\$ 394,389,471	\$ 361,883,101	Retained earnings	127,310,877	111,361,546
			Other comprehensive income items	14,789,529	14,411,368
			Premium on sale of shares	4,908,573	4,543,745
			Employee stock option plan fund	(6,595,404)	(6,666,394)
			Total equity	185,882,003	169,118,693
			Total liabilities and equity	\$ 394,389,471	\$ 361,883,101

The accompanying notes are integral part of these financial statements.



## WAL-MART DE MÉXICO, S.A.B. DE C.V., AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the years ended December 31, 2021 and 2020  
(Amounts in thousands of Mexican pesos)

	Retained earnings		Other comprehensive income items	Premium on sale of shares	Employee stock option plan fund	Total equity	
	Capital stock	Legal Reserve					Retained earnings
Balance at December 31, 2019	\$ 45,468,428	\$ 9,104,745	\$ 99,755,463	\$ 15,140,757	\$ 4,318,104	\$ (5,642,730)	\$ 168,144,767
Movements in employee stock option plan fund					225,641	(1,023,664)	(798,023)
Dividends declared			(30,933,523)				(30,933,523)
Comprehensive income			33,434,861	(729,389)			32,705,472
Balance at December 31, 2020	45,468,428	9,104,745	102,256,801	14,411,368	4,543,745	(6,666,394)	169,118,693
<b>Movements in employee stock option plan fund</b>					<b>364,828</b>	<b>70,990</b>	<b>435,818</b>
<b>Dividends declared</b>			<b>(28,188,741)</b>				<b>(28,188,741)</b>
<b>Comprehensive income</b>			<b>44,138,072</b>	<b>378,161</b>			<b>44,516,233</b>
<b>Balance at December 31, 2021</b>	<b>\$ 45,468,428</b>	<b>\$ 9,104,745</b>	<b>\$ 118,206,132</b>	<b>\$ 14,789,529</b>	<b>\$ 4,908,573</b>	<b>\$ (6,595,404)</b>	<b>\$ 185,882,003</b>

The accompanying notes are integral part of these financial statements.



## WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands of Mexican pesos)

	For the years ended December 31,			For the years ended December 31,	
	2021	2020		2021	2020
<b>Operating activities</b>			<b>Investing activities</b>		
Income before income taxes	\$ 57,295,648	\$ 49,464,087	Long-lived assets with defined useful lives	(20,466,364)	(16,728,102)
Items related to investing activities:			Interest collected	866,112	986,291
Depreciation and amortization	18,305,881	17,939,624	Proceeds from sale of property and equipment	388,548	397,872
Loss from disposal of property and equipment and impairment	353,054	(58,314)	Employee stock option plan fund	81,561	(1,184,945)
Stock option compensation expenses	354,257	386,922	Net cash flow used in investing activities	(19,130,143)	(16,528,884)
Interest earned	(866,112)	(986,291)	<b>Financing activities</b>		
Items related to financing activities:			Dividends paid	(28,188,741)	(30,933,523)
Interest on lease liabilities	6,478,994	6,409,888	Interest paid	(63,296)	(94,861)
Unrealized, exchange rate fluctuation	(27,773)	(615,274)	Payment of leases liability	(9,243,975)	(8,675,223)
Provision of labor obligations	553,537	585,943	Net cash flow used in investing activities	(37,496,012)	(39,703,607)
Interest accrued	63,296	94,861	Effect of changes in the value of cash	(1,109,265)	(327,305)
Cash flow from operating activities	82,510,782	73,221,446	Net increase (decrease) in cash and cash equivalents	7,146,175	4,813,270
Variances in:			Cash and cash equivalents at beginning of year	35,670,360	30,857,090
Accounts receivable	1,921,818	(2,711,141)	Cash and cash equivalents at end of year	\$ 42,816,535	\$ 35,670,360
Inventories	(11,906,229)	(562,523)			
Prepaid expenses and other assets	(224,786)	706,083	Non-cash transactions:		
Accounts payable	4,221,167	4,938,201	Additions of right of use assets	\$ 2,515,770	\$ 1,819,675
Other accounts payable	2,905,551	2,703,941	Right of use assets remeasurements	\$ 5,412,193	\$ 2,853,228
Income tax paid	(13,959,161)	(16,191,826)			
Employee benefits	(587,547)	(731,115)			
Net cash flow from operating activities	64,881,595	61,373,066			

The accompanying notes are integral part of these financial statements.



## WAL-MART DE MÉXICO, S.A.B. DE C.V., AND SUBSIDIARIES

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2021 and 2020

(Amounts in thousands of Mexican pesos, except where otherwise indicated)

### 1. DESCRIPTION OF THE BUSINESS

#### a. Corporate information

Wal-Mart de Mexico, S.A.B. de C.V. (**WALMEX**, “the Company” or “the Group”) is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Santa Cruz Acayucan, 02770, in Mexico City. The principal shareholder of **WALMEX** is Walmart, Inc., a U.S. Corporation, through Intersalt, S. de R.L. de C.V., a Mexican company that holds equity interest of 70.51% in the Company.

**WALMEX** holds 100% of equity interest in the following groups of companies in Mexico and Central America:

Group	Line of business
Nueva Walmart	Operation in 2021 of 2,198 Bodega Aurrerá discount stores, 294 Walmart hipermarkets, 14 Superama supermarkets, 85 Walmart Express supermarkets and 165 Sam’s Club memberships self-service wholesale stores.
Import companies	Import of goods for resale.
Real estate	Property developments and management of real estate companies.
Service companies	Rendering of professional services to Group companies until June 30, 2021; and not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation in 2021 of 572 discount stores (Despensa Familiar and Palí), 98 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 158 Bodegas (Maxi Bodega and Maxi Palí); and 36 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

#### b. Transactions and relevant events

On May 25, 2020, **WALMEX** made a payment of \$8,079 million pesos to the Mexican Tax Authorities (SAT by its acronym in Spanish) to finalize substantial tax matters (including the sale of VIPS restaurant division to Asea). This amount is recognized in the following items in the financial statements of the year ended on December 31, 2020: general expenses (VAT) of \$1,813 million; financial expenses (surcharges) of \$2,406 million; income tax (current tax) of \$3,856 million and income tax pending to recover (balance sheet) of \$4 million.



## 2 NEW ACCOUNTING PRONOUNCEMENTS

The Company applied for the first-time certain International Financial Reporting Standards (“IFRS”) and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - *Interest rate benchmark reform, Phase 2*

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address issues arising during interest rate benchmark reform, including the replacement with an alternative nearly risk-free interest rate (RFR).

Phase 2 modifications provide the following temporary exceptions:

By changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), the exceptions have the effect that the changes, which are necessary as a direct consequence of the IBOR reform and which are considered economically equivalent, they will not have an immediate effect on the income statement.

The hedge accounting exceptions will allow most IAS 39 or IFRS 9 hedging relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness may need to be recorded.

Affected entities need to disclose information about the nature and extent of risks to which they are exposed due to IBOR reform, how the entity manages those risks, and the entity’s progress in completing the transition to alternative benchmark rates. and how you manage that transition.

The amendments are not expected to have a material impact on the Company’s consolidated financial statements.

### Amendments to IFRS 16, “*Covid-19 Related Rent Concessions*”

On May 28, 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical solution, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. The lessee that chooses this option must recognize any change in the lease payments that result from the concession of rent related to COVID-19 in the same way in which it would recognize the change in accordance with IFRS 16, if said change would not constitute a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the COVID-19 pandemic continues, on March 31, 2021, the IASB extended the application period of the practical expedient until June 30, 2022. This amendment had no significant impact on the consolidated financial statements of the Company.

### IAS 1, “*Presentation of financial statements*”

In February 2021, the IASB issued amendments to IAS 1 “Presentation of Financial Statements”, which provide guidance and examples to help entities when applying materiality judgments to accounting policy disclosures. The IASB also issued amendments to the IFRS 2 Practice Statement to support the amendments in IAS 1 by explaining and exemplifying the application of the “four-step process” to accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023, and early application is allowed if this fact is disclosed. Because the amendments to the IFRS 2 Practice Statement provide non-mandatory guidance on applying the definition of materiality to accounting information, the IASB concluded that transition requirements and an effective date for these amendments were not necessary.



The amendments are not expected to have a material impact on the Company's consolidated financial statements.

## IFRS issued but not yet effective

### IFRS 17, "Insurance Contracts"

This IFRS will replace IFRS 4 that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

### Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- Changes in criteria to classify a liability as current or non-current.
- Considerations about substantial right to defer the liability settlement.
- Settlement definition and possibility of settling liabilities in cash, other economic resources, or entity's equity instruments.
- New disclosures by liabilities deferrals.

Classification as current or non-current liability will not be affected by the probability that the entity exercises or not its deferral right.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

### Reference to the Conceptual Framework – Amendments to IFRS 3, "Business Combinations"

In May 2020, the IASB issued Amendments to IFRS 3 "Business Combinations" - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 "Levies", if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

### Amendments to IAS 16, "Property, Plant and Equipment: Proceeds before Intended Use"

In May 2020, the IASB issued these amendments, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while



bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, directly in the income statement.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

#### Amendments to IAS 37, "Onerous Contracts – Costs of Fulfilling a Contract"

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

#### **IFRS annual improvements 2018-2020**

##### IFRS 1, "First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter"

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

##### IFRS 9, "Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities"

The amendment mentions when derecognize a financial liability that has been modified or exchanged, it must be evaluated whether the terms are substantially different between the new or modified financial liability and the original financial liability. A substantial difference is considered when the present value of the discounted cash flows under the new conditions, including commissions paid net, differs at least 10 percent from the present value of discounted cash flows that still remain from the original financial liability, using for discounting, the original effective interest rate.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.



#### Amendments to IAS 12 – “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments to IAS 12 “Income Taxes” require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

The amendment is effective for annual periods beginning on or after January 1, 2022, and early adoption is permitted. This amendment does not have a significant impact on the Company’s consolidated financial statements.

#### IAS 41, “Agriculture – Taxation in fair value measurements”

The amendment removes the requirement in paragraph 22 of IAS 41 where entities needed to exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The Company’s management estimates that these modifications will not have a significant impact on the consolidated financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2020.

#### a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued previously by the former Standard Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared based on the function of its components, which allows disclosure of cost of sales separately from other costs, operating and administrative expenses, with both expenses recognized in the statement of income at the time they are incurred.

Prior to the consolidation process, the financial statements of the Company’s foreign subsidiaries are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position.

The cumulative translation adjustment is the effect of translating the financial statements of the Company’s foreign subsidiaries into Mexican pesos. This effect is recognized in equity as part of other comprehensive income items.



The statement of cash flows is prepared using the indirect method.

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
- Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.

**WALMEX** has sufficient resources to continue operating as a going concern. The accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis, except for financial assets and liabilities and derivative financial instruments, which are fair valued as of the end of each period. The Mexican peso is the Company's functional and Reporting currency.

## b) Consolidation

The accompanying consolidated financial statements include the financial statements of **WALMEX**, entities in which the Company was deemed the primary beneficiary and those of its Mexican and foreign subsidiaries or investee in which has control, which are grouped as described in Note 1, and prepared considering the same accounting period.

Subsidiaries or investees are consolidated from the date on which control is assumed by **WALMEX**, and until such control is lost. The results of subsidiaries or investee acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e. the existing rights that give it the current ability to conduct the relevant activities of the investee),
- Exposure to, or rights to, variable returns from its participation in the investee.
- The ability to use its power over the investee to affect its returns.

Transactions and related party balances are eliminated in the consolidation.

The Company consolidates in its financial statements the balances and operations of the investees Cargill Protein S. de R.L. de C.V. and Cargill Protein Servicios S. de R.L. de C.V., according to the agreement established with them to provide services for meat processing, through which the Company obtains control solely and exclusively from the accounting point of view and applying accounting principles but not legal ones, through the right to variable returns for its participation in these entities. Net income for the consolidated year considers a remaining attributable to the results of the investees of \$(66,136) in 2021 and \$(39,343) in 2020; and the statement of financial position as of December 31, 2021 and 2020, contains a remaining attributable to the minority interest of the investees of \$(118,276) and \$(52,139), respectively.

## c) Financial assets and liabilities and fair value measurement

The Company determines the classification of financial assets and liabilities at initial recognition as described below:

- I. Financial assets. These assets are classified in one of the following categories, as required: financial assets at fair value through profit or loss, accounts receivable and investments held



to maturity. The Company's financial assets primarily consist of cash and cash equivalents, trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price in which such asset would be sold in an ordinary transaction with third parties, capable of participating in the transaction.

- II. Financial liabilities. These liabilities are classified in accounts payable, other accounts payable and lease liabilities; these liabilities are initially recognized at fair value and subsequently valued to amortized cost using the effective interest rate method. The liabilities from derivatives are recognized initially and subsequently at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

**Level 1.** Quoted prices for identical instruments in active markets;

**Level 2.** Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable, and

**Level 3.** Unobservable data inputs, for which the Company develops its own assumptions and valuations.

Subsequent measurement of the Company's financial assets and liabilities is determined based on their classification.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle them for the net amount, or to realize the assets and settle liabilities simultaneously.

#### **d) Cash and cash equivalents**

Cash and cash equivalents principally consist of bank deposits, credit and debit card transfer transactions that process in less than 7 days, and highly liquid investments with maturities of less than 90 days, plus accrued interest. Cash is stated at fair value.

Cash that is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months is presented in a separate line item in the statement of financial position and is excluded from cash and cash equivalents in the cash flow statement.

#### **e) Derivative financial instruments**

The Company has entered into currency hedging through Over the Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale. The maximum length of these contracts is six months.

Derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately as a part of the financial income (expense) line in the consolidated statement of comprehensive income.

In accordance with our standards of corporate governance, the Company manages only Fx-forwards as derivative financial instruments.

#### **f) Accounts receivable and provision for impairment of other accounts receivable**

**WALMEX** recognizes the impairment of its receivables by applying the simplified approach allowed by IFRS 9 "Financial Instruments", recognizing the expected credit losses as of the creation of the account receivable. These assets are grouped according to the characteristics of credit risk and the days past due, with the expected loss provision for each risk group determined based on the



historical credit loss and experience of the Company, adjusted for specific factors for debtors and effects in the economic environment.

**g) Inventories**

Inventories are valued using the retail method, except for merchandise for Sam’s Clubs, distribution centers, Agro-Industrial development (grains, edibles and meat) and perishable division, which are stated using the weighted average cost method. These methods are consistent with those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at the lower of cost or net realizable value.

Freight and buying allowances are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

**h) Prepaid expenses**

Prepaid expenses are recorded at cost and recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. Once the goods or services related to the prepayments are received, they should be charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

**i) Property and equipment**

Property and equipment are recorded at acquisition cost and are presented net of accumulated depreciation.

Depreciation of property and equipment is computed by the straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	to	5.0%
Facilities and adaptations	5.0%	to	12.5%
Construction finishes	10.0%	to	25.0%
Furniture and equipment	5.0%	to	33.3%
Computer equipment	12.5%	to	33.3%
Transportation equipment	10.0%	to	33.3%

Construction in progress mostly consists of investments made by the Company, mainly for the construction of new stores and improvements; they are recognized at cost, and once complete, the Company reclassifies them to property and the depreciation begins.

**j) Investment properties**

Investment properties consist of land, buildings and constructions and facilities in properties that are leased to others and are maintained to obtain economic benefits through the collection of rent. Investment properties are measured initially at cost. After initial recognition, they continue to be valued at cost less depreciation and accumulated losses due to impairment.

Depreciation of investment properties is computed on a straight-line basis at the following annual rates:

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	to	5.0%
Facilities and adaptations	5.0%	to	12.5%
Construction finishes	10.0%	to	25.0%

**k) Leases**

The Company assesses whether a contract is or contains a lease at inception date of the contract. This assessment involves the exercises of judgement about whether it implies the use of a specific asset, or if the Company obtains substantially all the economics benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.



## WALMEX as a lessee

**WALMEX** recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental interest rate of **WALMEX**.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. These liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if **WALMEX** changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## WALMEX as a lessor

The Company obtains rental income from investment properties. Fixed and variable rental income is recognized when accrued and such revenue is presented as a part of other revenues line within the consolidated statement of comprehensive income.

## l) Impairment of long term definite useful life assets

The long-term definite useful life assets are subject to impairment tests only when there is objective evidence of impairment.

The Company recognizes impairment in the value of this type of assets by applying the expected present value technique to determine value in use, considering each store as the minimum cash-generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit where the assets are located. These budgets generally cover 5 years and, in case of a longer period, an expected growth rate is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income as a part of other expenses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased by the reviewed estimate of the recoverable amount, not exceeding the carrying amount that would have been determined if no impairment loss had been recognized in prior years. The reversal of an impairment loss is recognized immediately in the comprehensive income statement.

## m) Intangible assets

Intangible assets are recognized when they have the following characteristics: they are identifiable, they give rise to future economic benefits and the Company has control over such benefits.

Intangible assets are valued at the lower of acquisition cost or fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are subject to annual impairment tests. Definite lived assets are amortized using the straight-line method at rates between 7.7% and 33.3%.



## n) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America at the acquisition date and is not subject to amortization.

Goodwill was assigned applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is tested for impairment annually. The Company engages the services of an independent expert to test its goodwill for impairment. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of value of money over time and the specific risks affecting such assets.

Future cash flows consider the business plan and projections used by management in its decision making for the following five years.

Goodwill is translated at the closing exchange rate and such translation is recognized in other comprehensive income.

## o) Liabilities and provisions

Accrued liabilities represent current obligations (legal or assumed) for past events where outflow of economic resources is possible and can be reasonably estimated. Reimbursements are recognized net of any related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

## p) Income taxes

### Current and deferred income

Income taxes are classified as current and deferred and are recognized in the consolidated statement of comprehensive income in the year they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current income taxes are determined based on the tax laws approved in the countries where **WALMEX** has operations and are the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. Current income taxes are presented as a current liability/asset net of prepayments made during the year.

Deferred income taxes result from applying the applicable enacted or substantively enacted income tax rate at the reporting date to all temporary differences between the financial reporting and tax values of assets and liabilities in the consolidated balance sheet. Deferred tax assets are only recognized when it is probable that sufficient taxable profit will be available against which the deductions for temporary differences can be taken. The deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred assets to be used. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred income tax on temporary differences arising from investments in subsidiaries is recognized, unless the period of reversal of temporary differences is controlled by **WALMEX** and it is probable that the temporary differences will not reverse in the near future.



The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset tax assets and liabilities and deferred tax assets and liabilities relating to income taxes that pertain to the same authority.

#### Uncertain tax positions

The Company reviews its criteria for the recognition and measurement of income taxes when there are uncertain tax positions. Uncertain tax positions are those tax positions where there is uncertainty about whether the competent tax authority of each of the countries where **WALMEX** operates will accept the tax position under current tax laws.

If the Company concludes that a particular tax treatment is likely to be accepted, it determines the taxable profit (tax loss), tax basis, unused tax losses, unused tax credits, or tax rates consistent with the tax treatment included in its tax return. If the Company concludes that a particular tax treatment is unlikely to be accepted, the entity uses the most probable amount or expected value of the tax treatment that the authority would accept when determining the tax profit (tax loss), tax basis, non-tax losses used, unused tax credits or tax rates.

#### **q) Employee benefits**

Employees in Mexico are entitled to a seniority premium in accordance with the Mexican Federal Labor Law. Also, **WALMEX**'s employees in each of the six countries are entitled to termination benefits to be paid in accordance to each country's respective labor laws. These employee benefits are recognized as expense during the years in which services are rendered, based on actuarial computations performed by independent experts using the projected unit credit method.

In Mexico, the seniority premium is granted to employees who retire from the Company with a minimum of 15 years of seniority. The amount paid to the associate is equivalent to 12 days for each year worked, without exceeding the amount for each day of twice the minimum wage. The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Employees make no contributions to this fund.

In Central America, the termination benefits for associates are paid when required in case of unjustified dismissal or death, in accordance with the Labor Law of each country where the Company operates. The benefits range from 20 days to one month of salary for each year of uninterrupted service.

All other payments to which employees or their beneficiaries are entitled in the event of involuntary retirement or death are expensed as incurred, in accordance with federal labor laws of each country.

**WALMEX** recognizes the actuarial gains and losses as they accrue directly in the consolidated statement of comprehensive income, and in the statement of changes in equity.

#### **r) Equity**

##### Legal reserve:

As of December 31, 2021, the Company's legal reserve amounts to \$9,104,745, which represents 20% of its capital stock, which under the Mexican Corporations Act is the maximum level the balance of the reserve can reach.

##### Dividends:

The Company recognizes a liability to pay dividends when these are decreed and are approved through a shareholders meeting. The corresponding accrual is recognized as a decrease in the stockholders' equity directly.

##### Employee stock option plan funds and stock option compensation:

The employee stock option plan fund is comprised of **WALMEX** shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant stock options to executives of the companies of the Group, as approved by the Mexican National Banking and Securities Commission.



The shares subject to the plan are assigned, taking as a reference the weighted average price of the purchase and sale transactions in the secondary market of such shares.

The current policy has two grant plans to executives; the first one Grants stock options and the second one Grants restricted shares (the last one is offered only to certain executive levels). In the stock option plan, the term to exercise the option is released in four years in two equal parts: 50% in two years and the remaining 50% by the end of the fourth year. The term to exercise the rights is 10 years from the grant date.

The vesting period for the restricted shares plan is 3 years and the term to exercise the option is up to 10 years starting from the date of the assignment. The amount of the restricted shares is subject to compliance with certain metrics that are evaluated after the first year after the grant, which may cause the original allocation to decrease or increase within a range of 0% up to 213%.

According to the previous policy, **WALMEX** executives may exercise their option to acquire shares in equal parts over five years. The right to exercise the employee stock option expired after 10 years as of the grant date or 60 days after the employee's termination date; and in regards of the restricted shares plan, until March 23, 2021, the amount was subject to compliance with certain metrics that were evaluated after the first year, and that could cause the original allocation to be modified, in a range from 0% to 150%.

The compensation cost of stock options is recognized in general expenses in the consolidated statement of comprehensive income at fair value.

#### Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares and the value at which such shares were sold, net of the corresponding income tax.

#### **s) Revenue recognition**

Revenue from merchandise sales, including online sales ("e-Commerce") is recognized in the consolidated statement of comprehensive income at the time the obligation is satisfied (when "control" of the goods has been transferred to the customer). Revenue from services is recognized at the time the service is provided.

Extended warranties, service commissions and cell phone airtime are recognized net in the net sales line in the consolidated statement of comprehensive income at time the service is provided.

Sam's Club membership income is deferred over the twelve-month term of the membership and presented in the other revenue line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered with third parties and presented in the other revenue line in the consolidated statement of comprehensive income.

Revenues from the sale of waste and parking lots are recognized in other revenue line at the time the property is transferred upon delivery of the goods or at the time the services are provided.

#### **t) Basic earnings per-share**

Basic earnings per share is the result of dividing the net income of the year attributable to the controlling interest by the weighted average number of outstanding shares. Diluted earnings per share are the same as basic earnings per share since there is currently no potentially dilutive common stock.

The effect on earnings per share, which represents the remaining attributable to the results of the investees in 2021 and 2020 is of \$0.004 and \$0.002 pesos per share, respectively.



#### u) Operating segments

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker (CODM) to make business decisions and assess the Company's performance. Segment information is presented based on the geographical zones in which the Company operates.

#### v) Foreign currency transactions

The Company's foreign currency denominated assets and liabilities are translated to the functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income in the financial income (expenses) lines.

### 4. RISK MANAGEMENT

#### a) General risk factors

The Company is exposed to the effects of future events that could affect the purchasing power and/or buying habits of the population. These events may be economic, political or social in nature and some of the most important are described below:

- I. Changes in exchange rates. Exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately adversely affect the Company's sales, in particular due to the purchase of imported goods.
- II. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company's market share at risk. Other factors affecting the Company's market share could be the business expansion of its competitors and the possible entrance of new competitors into the market.

III. Inflation. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company's customers and the demand for its products and services, as well as employment and salaries.

IV. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities has greatly increased. Mexican legal courts have changed their position favoring the authorities and ignoring violations of form and procedure.

V. Recent developments. The COVID-19 pandemic has resulted in widespread and ongoing impacts on the local and international economy, on our associates, suppliers, customers, and other individuals and entities with whom we do business. There is considerable uncertainty regarding the extent to which COVID-19 will continue to spread (including additional outbreaks or spikes in the number of COVID-19 cases, future mutations or related strains of the virus in the areas in which we operate) and the scope and duration of measures to try to contain the virus, such as travel bans and restrictions, quarantines, government closures and other restrictions on the mobility of people.

Other uncertainty factors include but are not limited to: the availability and prevalence of access to effective medical treatments and vaccines for COVID-19; the pace of economic recovery when the pandemic subsides; and the long-term impact of the COVID-19 pandemic on our business, including changing consumer behavior. These risks and their impacts are difficult to predict and could adversely affect our operations and our financial performance.

As of the date of this report, the financial effect of the combination of these events has not had a significant adverse impact on the financial statements taken as a whole.



**b) Financial risk factors:**

The Company’s activities are exposed to various financial risks such as exchange rate, interest rate and liquidity risk. The Company manages those risks that impede or endanger its financial objectives, seeking to minimize potential negative effects through different strategies.

Exchange rate risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar (“USD”).

As of December 31, 2021, the exchange rate used to translate assets and liabilities denominated in US dollars was \$20.46 per dollar (\$19.90 in 2020).

Considering the net monetary position in dollars at December 31, 2021, if there was an increase or decrease in the exchange rate of the US dollar against the Mexican peso of 5%, there would be a favorable or unfavorable effect on the financial income (expenses) and equity of the Company of \$128,247.

The Company has entered into Fx-forward contracts for foreign currency in order to protect itself from exposure to variability in the exchange rate for the payment of liabilities in Mexico related to the purchase of imported goods agreed in US dollars.

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2. (See Note 3 “Summary of significant accounting policies – Financial assets and liabilities and fair value measurement”).

As of December 31, 2021 and 2020, the Company has Fx-forward contracts with a term of no more than four months, recorded in other accounts payable, which are shown below:

	2021		2020	
Current contracts		284		281
Notional amount (millions of USD)	US\$	192.31	US\$	163.83
Notional amount (millions of Mexican Pesos)	MXN\$	4,069.20	MXN\$	3,357.56
Fair value, net (millions of pesos)	MXN\$	( 106.25)	MXN\$	( 82.19)

Each Fx-forwards operation contracted with the banking institutions is agreed by means of a confirmation letter and consists in the exchange in kind of currencies with the same counterpart that occurs simultaneously at the settlement date agreed in the confirmation letter.

Interest rate risk:

The Company has temporary investments in government paper which generate financial income. By reducing the interest rate, the financial income of the Company also decreases. The interest rate of these investments fluctuated during the year 2021 between 1.20% and 5.24%. As of December 31, 2021 the financial income amounted to \$866,112 (\$986,291 in 2020).

Considering the highly liquid instruments as of December 31, 2021, if there was an increase or decrease in the interest rate of 0.50%, there would be a favorable or unfavorable effect on the financial income of the Company of \$130,458.

Liquidity risk

The Company is subject to liquidity risks to meet its payment obligations to suppliers, payment of taxes, acquisitions of fixed assets and other working capital requirements, which are settled through the cash flow generated in the operation. For this reason, in order to avoid the breach of its obligations, the Company has available lines of credit and overdraft with different banks. As of December 31, 2021, the available and unused credit and overdraft lines amounted \$51,255 (\$41,001 in 2020) million (these include \$17,931 (\$13,222 in 2020) million corresponding to pre-approved lines of credit and \$33,324 (\$27,229 in 2020) million to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.



## 5. CASH AND CASH EQUIVALENTS

An analysis of cash and cash equivalents as of December 31, 2021 and 2020, is as follow:

	2021	2020
Cash and cash in bank	\$ 35,127,748	\$ 26,577,187
Highly marketable investments	7,688,787	9,093,173
	<b>\$ 42,816,535</b>	<b>\$ 35,670,360</b>

As of December 31, 2021, the restricted cash amounted \$225,643 (\$188,487 in 2020) and it is presented in the consolidated statement of financial position in the other non-current assets item.

## 6. ACCOUNTS RECEIVABLE

An analysis of accounts receivable as of December 31, 2021 and 2020, is as follows:

	2021	2020
Income tax, VAT, IEPS pending to recover	\$ 13,118,127	\$ 13,304,798
Vouchers issuers and trade receivables	1,415,900	1,605,021
Other accounts receivable	2,847,115	2,554,894
Related parties (Note 12)	-	33,543
Allowance for impairment of other receivables <sup>(1)</sup>	(553,904)	(504,502)
	<b>\$ 16,827,238</b>	<b>\$ 16,993,754</b>

Average aging to collect the accounts receivable to customers is 30 to 90 days.

<sup>(1)</sup> In 2021, includes \$224 million of allowance for impairment of other receivables corresponding to ATM's services supplier.

In 2020, includes \$187 million of allowance for impairment of other receivables corresponding to tenant rent receivables. The rents receivable amounted to \$487 million and are included in the other accounts receivable item. Due to the contingency generated by the COVID-19 pandemic, their recovery risk increased during that year. As of December 31, 2021, the provision for impairment of other accounts receivable decreased due to their recovery.

## 7. INVENTORIES

An analysis of inventories as of December 31, 2021 and 2020, is as follows:

	2021	2020
Merchandise for sale	\$ 74,466,819	\$ 64,648,896
Agro-industrial development	1,315,037	842,787
	<b>75,781,856</b>	<b>65,491,683</b>
Merchandise in transit	4,535,113	2,868,791
	<b>\$ 80,316,969</b>	<b>\$ 68,360,474</b>

As of December 31, 2021 and 2020, the effect of inventory impairment is \$1,294,599 and \$1,351,173, respectively, which was included in cost of sales in the consolidated comprehensive income statement.



## 8. PROPERTY AND EQUIPMENT

An analysis of property and equipment as of December 31, 2021 and 2020, is as follows:

	December 31, 2019	Additions	Disposals	Transfers	Translations effect	December 31, 2020	Additions	Disposals	Transfers	Translations effect	December 31, 2021
Cost:											
Land	\$ 31,132,440	\$ 417,018	\$ ( 56,797)	\$ 180,312	\$ 20,107	\$ 31,693,080	\$ 605,782	\$ ( 106,636)	\$ 309,400	\$ ( 22,057)	\$ 32,479,569
Buildings	68,113,426	1,337,321	( 209,148)	2,939,215	99,484	72,280,298	1,276,226	( 503,028)	3,135,993	13,787	76,203,276
Facilities and leasehold improvements	48,664,166	968	( 2,260)	3,558,317	214,515	52,435,706	244,830	( 528,437)	4,065,345	152,415	56,369,859
Furniture and equipment	81,760,542	3,928,784	( 16,255,015)	3,758,754	286,294	73,479,359	3,888,848	(4,405,776)	4,599,689	202,702	77,764,822
Subtotal	229,670,574	5,684,091	( 16,523,220)	10,436,598	620,400	229,888,443	6,015,686	(5,543,877)	12,110,427	346,847	242,817,526
Accumulated depreciation:											
Buildings	( 31,504,154)	( 2,964,692)	141,274	( 118,591)	30,656	( 34,415,507)	( 2,977,245)	319,881	( 69,076)	( 14,710)	( 37,156,657)
Facilities and leasehold improvements	( 22,653,694)	( 3,067,257)	5,160	( 19,132)	( 49,293)	( 25,784,216)	(3,046,909)	413,686	( 96,907)	( 68,655)	( 28,583,001)
Furniture and equipment	( 48,425,663)	( 7,178,999)	16,074,474	36,502	( 5,490)	( 39,499,176)	( 7,255,124)	4,261,397	8,663	( 102,064)	( 42,586,304)
Subtotal	( 102,583,511)	(13,210,948)	16,220,908	( 101,221)	( 24,127)	( 99,698,899)	(13,279,278)	4,994,964	( 157,320)	( 185,429)	(108,325,962)
Construction in progress	5,032,442	10,224,241	8,870	( 10,467,560)	( 158,920)	4,639,073	13,636,456	( 61,598)	( 12,194,434)	( 14,463)	6,005,034
Total	\$ 132,119,505	\$ 2,697,384	\$ ( 293,442)	\$ ( 132,183)	\$ 437,353	\$ 134,828,617	\$ 6,372,864	\$ ( 610,511)	\$ ( 241,327)	\$ 146,955	\$ 140,496,598

Depreciation expense for the years ended December 31 2021 and 2020, was \$12,937,408 and \$12,876,087, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income. The depreciation included in cost of sales was \$341,870 and \$334,861, respectively.

Property and equipment impairment for the years ended December 31, 2021 and 2020, was \$159,133 and \$8,143, respectively, and is presented in the disposals column. As of December 31, 2020 impairment reversal amounted to \$2,097.



## 9. LEASES

**WALMEX** has executed property lease agreements. Leases are usually contracted for a period of 15 years. Some leases include a unilateral renewal option for an additional period. The Company evaluates at the beginning of the lease if it is reasonably certain that it will exercise said renewal option.

In addition, the Company has also entered into finance leases for the rental of residual water treatment plants with lease terms of 10 years with purchase option at the end of the agreement; as well as other equipment leases with terms of 3 to 5 years.

**WALMEX** sub-leases some of its investment properties.

The right of use assets balance is as follows:

	December 31, 2019	Additions	Modifications	Transfers	Translations effect	December 31, 2020	Additions	Modifications	Transfers	Translations effect	December 31, 2021
Cost:											
Property	\$ 54,195,381	\$ 1,632,226	\$ 2,803,590	\$ 498	\$ 467,592	\$ 59,099,287	\$ 1,876,726	\$ 5,194,427	\$ ( 2,541)	\$ ( 156,575)	\$ 66,011,324
Furniture and equipment	3,378,274	187,449	( 733,919)	( 295,108)	1,137	2,537,833	639,044	( 93,684)	( 377,605)	( 7,798)	2,697,790
Subtotal	57,573,655	1,819,675	2,069,671	( 294,610)	468,729	61,637,120	2,515,770	5,100,743	( 380,146)	( 164,373)	68,709,114
Accumulated depreciation:											
Property	( 6,706,439)	( 3,514,541)	( 12,434)	2,045	( 196,577)	( 10,427,946)	( 3,630,535)	198,356	-	340,973	( 13,519,152)
Furniture and equipment	( 1,192,031)	( 378,857)	513,913	155,491	12,094	( 889,390)	( 493,792)	92,419	215,692	22,617	( 1,052,454)
Subtotal	( 7,898,470)	( 3,893,398)	501,479	157,536	( 184,483)	( 11,317,336)	( 4,124,327)	290,775	215,692	363,590	( 14,571,606)
Total	\$ 49,675,185	\$ ( 2,073,723)	\$ 2,571,150	\$ ( 137,074)	\$ 284,246	\$ 50,319,784	\$ ( 1,608,557)	\$ 5,391,518	\$ ( 164,454)	\$ 199,217	\$ 54,137,508



An analysis of the lease liabilities is as follows:

Year	December 31, 2021
2022	\$ 9,178,557
2023	8,667,495
2024	8,336,234
2025	8,080,953
2026	7,834,908
2027 and thereafter	105,960,150
Nominal lease payments	148,058,297
Net present value adjustment	(83,366,919)
Lease liabilities - net	\$ 64,691,378

The Company analyzes its services agreements that do not have the legal form of a lease to determine if the supplier transfers the use of an asset to **WALMEX**. After this analysis, **WALMEX** has determined that there are no material service agreements that must be classified as a lease.

The amounts recognized in the consolidated statements of income for the years ended December 31, 2021 and 2020, are as follows:

	2021	2020
Depreciation expense for the right of use assets, by type:		
Property	\$ 3,630,535	\$ 3,514,541
Equipment	\$ 493,792	\$ 378,857
Interest on lease liabilities	\$ 6,478,994	\$ 6,409,888
Expenses related to short-term leases	\$ 181,653	\$ 379,211
Expenses related to leases of low-value assets	\$ 37,840	\$ 13,853
Variable lease payments (not included in the measurement of lease liabilities)	\$ 3,782,845	\$ 3,291,749
Sub lease revenue	\$ (1,225,533)	\$ (471,070)

Amounts recognized in consolidated statement of cash flows as well as non-cash transaction, for the years ended December 31, 2021 and 2020, are as follow:

	2021	2020
Rent payments – principal	\$ 2,764,981	\$ 2,265,335
Rent payments – interest	\$ 6,478,994	\$ 6,409,888
Additions of right of use assets	\$ 2,515,770	\$ 1,819,675
Modifications and updates	\$ 5,412,193	\$ 2,853,228



## 10. INVESTMENT PROPERTIES

An analysis of investment properties as of December 31, 2021 and 2020 is as follows:

	December 31, 2019	Additions	Disposals	Modifications and updates	Transfers	December 31, 2020	Additions	Disposals	Modifications and updates	December 31, 2021
Land	\$ 2,550,279	\$ -	\$ ( 63,264)	\$ -	\$ -	\$ 2,487,015	\$ 78,778	\$ 3,818	\$ -	\$ 2,569,611
Buildings	5,951,769	14,595	( 38,302)	133,972	( 498)	6,061,536	-	( 625,311)	( 20,003)	5,416,222
Facilities and improvements	1,652,582	-	( 124,352)	-	-	1,528,230	-	( 392,455)	-	1,135,775
Subtotal	10,154,630	14,595	( 225,918)	133,972	( 498)	10,076,781	78,778	( 1,013,948)	( 20,003)	9,121,608
Accumulated depreciation	( 3,510,412)	( 358,985)	99,961	( 1,465)	40	( 3,770,861)	( 308,754)	506,904	34,949	( 3,537,762)
Total	\$ 6,644,218	\$ ( 344,390)	\$ ( 125,957)	\$ 132,507	\$ ( 458)	\$ 6,305,920	\$ ( 229,976)	\$ ( 507,044)	\$ 14,946	\$ 5,583,846

Depreciation expense for the years ended December 31, 2021 and 2020, was \$308,754 and \$358,985, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income.

The investment properties of the Company consist of commercial properties located in Mexico. The administration determined that the investment properties are grouped according to the nature, characteristics and main client of each property.

As of December 31, 2021 and 2020, the fair values of the properties are based on Management's valuations. To calculate the value of a commercial property, the rental approach was used, applying the corresponding gross rent multiplier (GRM). The Company determines the estimated fair value based on its annual rental income before expenses, divided by the capitalization rate used in the real estate sector (Cap rate). Annual rental income before expenses for the year ended December 31, 2020 was reduced by 24% from the previous year mainly due to the contingency caused by the COVID-19 pandemic; On the other hand, the capitalization rates used for the year ended December 31, 2021 and 2020, were 8.5%, in both periods. Effects on annual income and the update of the capitalization rate were considered in the calculation of the estimated fair value.

The Company's Management determined that there is no impairment in the investment properties as of December 31, 2021 and 2020. The estimated fair value of the investment properties as of December 31, 2021 and 2020 is \$5,911,220 and \$7,011,501, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.



## 11. INTANGIBLE ASSETS

An analysis of intangible assets as of December 31, 2021 and 2020, is as follows:

	December 31, 2019	Additions	Disposals	Transfers	Translations effect	December 31, 2020	Additions	Disposals	Transfers	Translations effect and others	December 31, 2021
Goodwill	\$ 35,145,361	\$ -	\$ -	\$ -	( 147,981)	\$ 34,997,380	\$ -	\$ -	\$ -	769,861	\$ 35,767,241
Trademarks	856,787	625	-	-	13,902	871,314	-	( 84,934)	-	2,405	788,785
Licenses and software	3,429,092	804,550	( 14,657)	269,841	41,137	4,529,963	735,444	( 898,513)	387,232	8,410	4,762,536
Customer base	219,100	-	-	-	( 3,875)	215,225	-	( 211,838)	-	( 3,387)	-
Subtotal	4,504,979	805,175	( 14,657)	269,841	51,164	5,616,502	735,444	( 1,195,285)	387,232	7,428	5,551,321
Accumulated amortization	( 2,566,750)	( 476,293)	5,853	( 126)	( 24,550)	( 3,061,866)	( 593,522)	1,096,792	371	( 2,288)	( 2,560,513)
Subtotal	1,938,229	328,882	( 8,804)	269,715	26,614	2,554,636	141,922	( 98,493)	387,603	5,140	2,990,808
Total	\$ 37,083,590	\$ 328,882	\$ ( 8,804)	\$ 269,715	\$ ( 121,367)	\$ 37,552,016	\$ 141,922	\$ ( 98,493)	\$ 387,603	\$ 775,001	\$ 38,758,049

Trademarks represents the trademarks acquired at the time of the acquisition of Walmart Central America, including Pali, Despensa Familiar, Maxi Bodega, among others. Trademarks are translated at the year-end-exchange rate and the corresponding effect is recognized as a component of other comprehensive income.

Licenses, software and customer amortization expense for the years ended December 31, 2021 and 2020, were \$593,522 and \$476,293, respectively, and is included in the general expenses line of the consolidated statement of comprehensive income.

As a result of its impairment testing, the Company concluded that there was no impairment in the value of the Goodwill as of December 31, 2021 and 2020.

The assumptions used in the goodwill impairment test are:

- Net book value of long-lived assets with a defined and indefinite life.
- Projection period of financial and operational assumptions (Revenues, EBITDA, Working Capital and Capex) of 5 years for each cash-generating unit (CGU).

- Estimate of the terminal value in perpetuity based on the latest estimated flow, considering a growth between 2.2% and 4.2% in nominal terms, which correspond to the estimated average inflation for each CGU.
- Appropriate discount rate, based on the weighted average cost of capital (WACC) methodology, which vary in a range of 8.1% to 10.8% determined according to the associated risks for each CGU.
- The effect of the contingency caused by the COVID-19 pandemic did not have a significant impact on the growth of cash flows.

In 2021 the Company corrected an excess of goodwill impairment amount determined in 2012 and 2014, and allocated to Honduras cash generating unit by \$574,804, which was recognized in other income item. Such income is not part of the core operations of the Company.



## 12. RELATED PARTIES

### a) Related party balances

As of December 31, 2021 and 2020, the consolidated statement of financial position includes the following balances with related parties:

	2021	2020
<b>Accounts receivable, net:</b>		
Walmart Inc.	\$ -	\$ 33,543
<b>Accounts payable:</b>		
C.M.A. – U.S.A., L.L.C.	\$ 691,981	\$ 795,111
Swiss Asia Minor GmbH	-	152,934
WMGS Commercial Services Limited	223,700	-
	\$ 915,681	\$ 948,045
<b>Other short-term accounts payable:</b>		
Walmart Inc.	\$ 1,160,011	\$ 1,088,239
Newgrange Platinum Services LTD	59,949	228,591
	\$ 1,219,960	\$ 1,316,830
<b>Other long-term accounts payable:</b>		
Walmart Inc.	\$ 85,964	\$ -

Additionally, as of December 31, 2021 and 2020, the company has other accounts payable with others related parties of \$405 y \$26,672, respectively.

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable and consequently, for the years ended December 31, 2021 and 2020, there were no uncollectible related party balances.

### b) Related party transactions

**WALMEX** has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Purchase commissions with Swiss Asia Minor GmbH (until June 30, 2021), and WMGS Commercial Services Limited (as from July 1st, 2021) that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and Operating services with Newgrange Platinum Service, LTD, that are payable monthly.
- Royalties for trademark use with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam's.

The terms of the related party transactions are consistent with those of an arm's length transaction.

The Company had the following transactions with related parties during the years ended December 31, 2021 and 2020.

	2021	2020
<b>Purchases and commissions related to the import of Good for resale:</b>		
C.M.A. – U.S.A., L.L.C.	\$ 4,369,447	\$ 4,361,302
Swiss Asia Minor GmbH	72,085	278,351
WMGS Commercial Services Limited	222,341	-
	\$ 4,663,873	\$ 4,639,653
<b>Costs and expenses related to technical assistance, services and royalties:</b>		
Walmart Inc.	\$ 7,295,135	\$ 6,438,839
Newgrange Platinum Services LTD	537,761	417,956
	\$ 7,832,896	\$ 6,856,795

For the years ended December 31, 2021 and 2020, the Company made transactions with other related parties of \$26,268 y \$178,727, respectively.



**c) Remuneration of principal officers**

Remuneration to the Company’s principal officers and Board of Directors for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Short-term benefits	\$ 1,687,623	\$ 1,352,873
Termination benefits	74,885	41,588
Share-based payments	119,166	149,400
	<b>\$ 1,881,674</b>	<b>\$ 1,543,861</b>

**13. OTHER ACCOUNTS PAYABLE**

An analysis of other accounts payable as of December 31, 2021 and 2020, is as follows:

	2021	2020
Accrued liabilities and others	\$ 24,410,508	\$ 19,467,070
Dividends	170,717	154,752
Contingencies (Note 14)	2,241,507	2,443,823
Deferred revenues <sup>(a)</sup>	1,492,490	1,458,114
Related parties (Note 12)	1,219,960	1,316,830
	<b>\$ 29,535,182</b>	<b>\$ 24,840,589</b>

<sup>(a)</sup> Includes Sam’s club memberships, unredeemed gift cards and deferred income for rentals related to the sale of Vips and Suburbia.

**14. COMMITMENTS AND CONTINGENCIES**

**a) Commitments**

As of December 31, 2021, the Company has entered into agreements with suppliers for the acquisition of inventories, property and equipment, maintenance services, as well as renewable energy supply services, as shown below:

Year	Amount
2022	\$ 30,146,142
2023	\$ 3,291,682
2024	\$ 3,354,316
2025	\$ 2,867,713
2026	\$ 2,979,480
2027 and thereafter	\$ 17,662,958

The Company has lease commitments as explained in Note 9.

**b) Contingencies**

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$2,241,507 as of December 31, 2021, (\$2,443,823 in 2020) which is presented in other accounts payable. In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

**15. LEASES AND OTHER LONG-TERM LIABILITIES**

Leases and other long-term liabilities as of December 31, 2021 and 2020, includes:

	2021	2020
Long – term leases	\$ 61,252,909	\$ 56,521,412
Deferred rental income	3,702,241	4,172,623
Related parties (Note 12)	85,964	-
Others	19,152	12,558
	<b>\$ 65,060,266</b>	<b>\$ 60,706,593</b>



## 16. INCOME TAXES

The income tax provision includes taxes payable by **WALMEX**'s subsidiaries in Mexico and abroad, determined in accordance with the tax laws in force in each country. On December 31, 2021, companies in Mexico determined and paid their income tax under the general tax law.

An analysis of income taxes charged to the income statement for the years ended December 31, 2021 and 2020, is as follows:

	2021	2020
Current income taxes:		
Mexico	\$ ( 12,056,598)	\$ ( 15,174,917)
Central America	( 2,035,475)	( 2,291,392)
Consolidated	( 14,092,073)	( 17,466,309)
Deferred income taxes:		
Mexico	514,918	1,559,510
Central America	419,579	( 122,427)
Consolidated	934,497	1,437,083
	\$ ( 13,157,576)	\$ ( 16,029,226)

As of December 31, 2021 and 2020, the Company's effective tax rate is 23.0% and 32.4%, respectively. The difference between the statutory tax rate and Company's effective tax rate is mainly due to inflationary effects and other permanent items. As of December 31, 2020, permanent items include \$3,856 of taxes paid on May 2020 to the Mexican tax authorities (SAT) to conclude substantial fiscal matters, as is mentioned in Note 1 paragraph b.

The income tax rates applicable to each country are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

An analysis of the effects of the long term income taxes (assets and liabilities), as of December 31, 2021 and 2020, is as follows:

	2021	2020
<b>Deferred tax assets:</b>		
Leases and other long-term liabilities	\$ 4,891,049	\$ 3,193,277
Other accounts payable	4,447,485	2,795,104
Inventories	1,128,513	893,041
Labor obligations	788,563	860,356
Tax losses carryforward froms subsidiaries	790,594	1,075,277
Provisions for impairment of other receivable	174,169	127,346
Other ítems	153,856	163,860
	\$ 12,374,229	\$ 9,108,261
<b>Deferred tax liabilities:</b>		
Property and equipment	\$ 6,018,208	\$ 4,727,787
Prepaid expenses	254,024	293,405
Investment in subsidiaries and other ítems	1,161,739	33,550
Deferred income tax	\$ 7,433,971	\$ 5,054,742
Long - term income tax	982,221	1,348,193
Income taxes	\$ 8,416,192	\$ 6,402,935

The deferred income tax asset derived from tax losses not amortized is recognized to the extent that the related tax benefit through future taxable profits is probable.

The Company has the following tax losses from subsidiaries that may be carried forward against future taxable income

Year of expiration	Amount
2027	\$ 218,532
2028	908
2029	1,502,790
2030	452,519
2031	460,563
	\$ 2,635,312



Changes in the assets and liabilities for long-term income taxes, net as of December 31, 2021 and 2020, is as follows:

	2021		2020	
Balance as of beginning of the year	\$	2,705,326	\$	1,166,998
Income tax charged in the year		1,507,077		1,691,467
Excess of previous years	(	572,580)	(	254,384)
Other comprehensive income items	(	85,795)		171,100
Long-term income taxes		382,433	(	95,584)
Translation effect		21,576		25,729
Balance as of end of the year	\$	3,958,037	\$	2,705,326

## 17. EMPLOYEE BENEFITS

As of December 31, 2021 and 2020, an analysis of the Company's assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority premiums		Retirement benefits	
	2021	2020	2021	2020
Defined benefit obligations	\$ 1,916,026	\$ 1,844,268	\$ 1,618,477	\$ 1,787,649
Plan assets	( 1,211,960)	( 1,046,954)	-	-
Net projected liability	\$ 704,066	\$ 797,314	\$ 1,618,477	\$ 1,787,649

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2021 and 2020, are shown below:

	Seniority premiums		Retirement benefits	
	2021	2020	2021	2020
DBO at beginning of year	\$ 1,844,268	\$ 1,489,633	\$ 1,787,649	\$ 1,528,323
Net period cost charged to results:				
Labor cost from actual services	215,814	194,426	181,970	210,392
Interest cost on DBO	129,066	110,799	109,430	149,141
Other comprehensive income items	( 85,233)	192,933	( 172,581)	357,993
Benefits paid	( 186,893)	( 143,523)	( 322,476)	( 505,133)
Transfers	( 996)	-	( 266)	-
Translation effect	-	-	34,751	46,933
DBO at end of the year	\$ 1,916,026	\$ 1,844,268	\$ 1,618,477	\$ 1,787,649

Changes in the net present value of the plan assets (PA) as of December 31, 2021 and 2020, are shown below:

	Seniority premiums	
	2021	2020
PA at beginning of year	\$ ( 1,046,954)	\$ ( 929,670)
Return on plan assets	( 82,538)	( 77,456)
Other comprehensive income items	( 5,350)	43,990
Plan contributions	( 263,896)	( 227,229)
Benefits paid	186,778	143,411
PA at the end of the year	\$ ( 1,211,960)	\$ ( 1,046,954)

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on a level 1 hierarchy.

As of December 31, 2021 and 2020, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2021 and 2020, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$1,098,830 and \$1,292,664, respectively.



The assumptions used in the actuarial valuations of Mexico and Central America are as follows:

	Mexico		Central America	
	2021	2020	2021	2020
<b>Financial:</b>				
Discount rate	<b>8.20%</b>	7.00%	1.92% - 8.04%	1.35% - 8.79%
Salary increase rate	<b>5.25%</b>	5.25%	3.50% - 6.30%	3.50% - 6.30%
Minimum salary increase rate	<b>4.75%</b>	4.50%	2.00%	2.00%
Inflation rate	<b>4.00%</b>	4.00%	0.70% - 4.70%	0.50% - 4.70%
<b>Biometriccs:</b>				
Mortality	<b>IMSS 2009<sup>(1)</sup></b>	IMSS 2009 <sup>(1)</sup>	RP - 2000 <sup>(2)</sup>	RP - 2000 <sup>(2)</sup>
Disability	<b>21.04%</b>	21.04%	4.5% - 15.40%	4.5% - 15.40%
Retirement age	<b>65 años</b>	65 años	50 - 65 años	50 - 65 años

<sup>(1)</sup> Mexican Social Security Institute experience for males and females

<sup>(2)</sup> RP-2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador

A sensitivity analysis of the DBO as of December 31, 2021, is as follows:

	Amount
<b>DBO December 31, 2021</b>	<b>\$ 3,534,503</b>
DBO at discount rate + 1%	\$ 3,353,365
DBO at discount rate - 1%	\$ 3,901,876
<b>Effects over DBO:</b>	
Discount rate + 1%	\$ (297,878)
Discount rate - 1%	\$ 340,230

The discount rate in Mexico is determined using the curve of government bonds issued by the Federal Government known as M Bonds. In Central America, the discount rate is determined using the curve of government bonds of United States of America plus the risk of each country.

## 18. EQUITY

**a) At an ordinary meeting held on March 23, 2021, the shareholders adopted the following resolutions:**

1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2021 to repurchase its own shares. There was no repurchase of its own shares as of December 31, 2021.
2. The shareholders declared an ordinary cash dividend of \$0.90 pesos per share, paid in two installments of \$0.45 each; the first one on November 24, 2021, and the second one on December 28, 2021; and an extraordinary dividend to be paid in cash at a rate of \$0.73 pesos per share in two installments: \$0.36 pesos per shares on November 24, 2021 and \$0.37 pesos per share on December 28, 2021.

**b) At an ordinary meeting held on March 24, 2020, the shareholders adopted the following resolutions:**

1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2020 to repurchase its own shares. There was no repurchase of its own shares as of December 31, 2020.
2. The shareholders declared an ordinary cash dividend of \$0.87 pesos per share, paid in three installments; the first one of \$0.27 pesos per share on June 24, and two of \$0.30 pesos per share the dates November 25, and December 16, 2020; and an extraordinary dividend to be paid in cash at a rate of \$0.92 pesos per share in two installments: \$0.45 pesos per share on November 25, 2020 and \$0.47 pesos per share on December 16, 2020.

After the dividend declared is approved at the shareholders' meeting, the Company reduces retained earnings and recognizes the accounts payable in the consolidated statement of financial position.



As of December 31, 2021 and 2020, the decreed dividends are as follows:

	2021	2020
Dividends in cash decreed and paid		
Ordinary dividend \$0.90 per share (\$0.87 in 2020)	\$ 15,564,332	\$ 15,033,906
Extraordinary dividend \$0.73 per share (\$0.92 in 2020)	12,624,409	15,899,617
	\$ 28,188,741	\$ 30,933,523

**c) Capital stock is represented by one series of nominative, common or ordinary registered shares with no par value that can be freely subscribed. The Company's capital stock must be represented by a minimum of three billion shares and a maximum of one hundred billion shares.**

As of December 31, 2021 and 2020, an analysis of paid-in stock and the number of shares representing it is as follows:

Common stock	Amount
Fixed minimum capital	\$ 5,591,362
Variable capital	36,935,265
Subtotal	42,526,627
Inflation effects	2,941,801
Total	\$ 45,468,428
Number of freely subscribed common shares	17,461,402,631

**d) Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances, are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.**

As of December 31, 2021 and 2020, the total balance of the tax accounts related to equity is \$68,143,228 and \$63,746,299, respectively, in conformity with the current tax laws.

**e) The employee stock option plan fund consists of 166,860,474 WALMEX shares, which have been placed in a trust created for the plan.**

The total compensation cost charged to Operating results during the year ended December 31, 2021 and 2020 was \$354,257 and \$386,922, respectively, which represented no cash outflow for the Company and it is included in the general expenses line in the consolidated comprehensive income statement.

Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance as of December 31, 2019	158,548,465	41.87
Granted	33,132,414	55.41
Exercised	( 23,651,790)	38.59
Cancelled	( 11,521,595)	47.21
Balance as of December 31, 2020	156,507,494	44.64
Granted	38,038,202	64.25
Exercised	( 27,740,024)	41.20
Cancelled	( 4,116,186)	53.96
<b>Balance as of December 31, 2021</b>	<b>162,689,486</b>	49.76
<b>Shares available for option grant:</b>		
December 31, 2021	<b>4,170,988</b>	
December 31, 2020	21,882,987	

As of December 31, 2021, the granted and exercisable shares under the stock option plan fund are 162,689,486 and 58,517,725 respectively.



## 19. OTHER DISCLOSURES OF REVENUE

a) The other revenue that forms part of the main activity of the Company as of December 31, 2021 and 2020 is as follows:

	2021	2020
Memberships	\$ 2,216,732	\$ 1,991,653
Rent	2,546,968	2,032,467
Sale of waste	846,716	641,578
Bank bonuses	-	278,415
Parking	81,291	79,197
Total	\$ 5,691,707	\$ 5,023,310

As of December 31, 2021, rental income includes investment properties of \$479,092 (\$541,698 in 2020).

b) The Company analyzes and manages its operation through its geographical location and business format.

An analysis of income from contracts with customers for the year ended December 31, 2021 and 2020 is as follows:

	2021	2020
Mexico:		
Self-service	61.3%	61.0%
Price Clubs	21.4%	20.8%
Central America:	17.3%	18.2%

Of **WALMEX**'s total net sales, approximately \$29.4 billion and \$21.6 billion relates to electronic commerce in Mexico for the years ended December 31, 2021 and 2020, respectively.

In Central America, the net sales related to electronic commerce are \$853 million and \$962 million for the years ended December 31, 2021 and 2020, respectively, and includes the sales made through home delivery platforms.

## 20. COST OF SALES AND GENERAL EXPENSES

Cost of sales and general expenses are presented in the consolidated statement of comprehensive income and mainly include the purchase of merchandise, personnel expenses, depreciation and amortization, rent, advertising, maintenance, utilities, royalties, and technical assistance. Additionally, as of December 31, 2020 it included the payment to Mexican tax authorities (SAT) of \$1,813 million of non-deductible expenses, to conclude substantial fiscal matters, made on May, 2020, as mentioned in Note 1 paragraph b.

## 21. FINANCIAL INCOME (EXPENSES)

An analysis of financial income (expenses) for the years ended December 31, 2021 and 2020, is as follows:

	2021	2020
<b>Financial income:</b>		
Financial income	\$ 866,112	\$ 986,291
Currency exchange gain	789,624	1,514,149
Income on changes in fair value of derivatives	562,541	1,012,477
	\$ 2,218,277	\$ 3,512,917
<b>Financial expenses:</b>		
Interest on finance leases	\$ ( 6,478,994)	\$ ( 6,409,888)
Currency exchange los	( 778,259)	( 1,256,758)
Loss on changes in fair value of derivatives	( 586,603)	( 1,038,764)
Other financial income (expenses)	13,569	( 2,790,701)
	\$ ( 7,830,287)	\$ ( 11,496,111)

Financial income primarily consists of interest earned on investments.

As of December 31, 2020 other financial income (expenses) include mainly the payment to Mexican tax authorities (SAT) of \$2,406 million to conclude substantial fiscal matters, made on May, 2020, as mentioned in Note 1 paragraph b.



## 22. SEGMENT FINANCIAL INFORMATION

Segment financial information is prepared based on the information used by the CODM to make business decisions.

An analysis of financial information by operating segments and geographical zones is as follows:

Year ended December 31, 2021			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 55,526,742	\$ (4,823,930)	\$ 50,702,812
Central America	7,380,916	(788,080)	6,592,836
Consolidated	\$ 62,907,658	\$ (5,612,010)	\$ 57,295,648

Year ended December 31, 2020			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 50,088,473	\$ (6,943,394)	\$ 43,145,079
Central America	7,358,808	(1,039,800)	6,319,008
Consolidated	\$ 57,447,281	\$ (7,983,194)	\$ 49,464,087

Year ended December 31, 2021				
Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 17,650,154	\$ 14,144,339	\$ 278,742,447	\$ 109,278,330
Central America	2,816,210	4,161,542	79,879,783	23,430,137
Goodwill	-	-	35,767,241	-
Consolidated	\$ 20,466,364	\$ 18,305,881	\$ 394,389,471	\$ 132,708,467

Segment	Year ended December 31, 2020			
	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 13,396,116	\$ 13,502,523	\$ 254,187,765	\$ 101,306,858
Central America	3,331,986	4,437,101	72,697,956	21,763,059
Goodwill	-	-	34,997,380	-
Consolidated	\$ 16,728,102	\$ 17,939,624	\$ 361,883,101	\$ 123,069,917

An analysis of income from customer contracts is presented in note 19.

## 23. OTHER DISCLOSURES

- Since April 24, 2021, approved laws related to subcontracting became effective. As of December 31, 2021, the Company has fully implemented said reforms and contemplates that it will continue to comply with them in the future.
- On November 23, 2020, **WALMEX** received a notification from the Federal Economic Competition Commission (COFECE), in connection to an ex officio investigation initiated in the wholesale supply and distribution of consumer goods, retail and related services market for an alleged commission of relative monopolistic practices. The Company has attended the request of information and is awaiting review comments by the regulator.

**WALMEX** is confident that its actions have always adhered to applicable legislation, and that its participation in the Mexican market has always resulted in lower prices for the consumer, particularly benefiting lower-income Mexican families, and in remote areas of the country that have not been served by others, which we will demonstrate before the corresponding authorities and in the appropriate forums, in which we will exercise our rights.



## 24. SUBSEQUENT EVENTS

The Company informed its shareholders and the investing public at large that, as approved by its Board of Directors, it is considering strategic alternatives regarding its operations in El Salvador, Honduras and Nicaragua as it focuses efforts and capital on its core business and geographies.

These alternatives could include, among others, possible joint ventures, strategic partnerships or alliances, a sale or other possible transactions.

The Company gives no assurance that the process will result in a transaction. **WALMEX** will inform its shareholders and the investing public at large as provided under applicable laws and regulations.

## 25. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements and accompanying notes for the years ended December 31, 2021 and 2020, were approved by the Company's management and Board of Directors on February 16, 2022 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.



# ABOUT THIS REPORT

GRI 102-46, 102-50

In 2004 we began reporting on a wide range of ESG subjects. Walmart de México y Centroamérica strives to provide continuity to the clear and transparent publication of our performance.

This report has been prepared pursuant to the comprehensive option of the Global Reporting Initiative Standards -GRI, and the Sustainability Accounting Standards Board -SASB. Similarly, frameworks such as the UN SDOs and the Task Force on Climate-Related Financial Disclosures -TCFD- are reflected in the key subjects included in our reports. We also disclose our external reporting programs, such as the Carbon Disclosure Project -CDP.

The information contained in this document covers the period comprising January 1 to December 31, 2021. It describes the performance of all the business formats belonging to Walmart de México y Centroamérica, in the six countries where we operate. Said information covers unit operations, distribution centers, eCommerce, and offices.

We provide additional information on a range of ESG subjects found in the following:

- [Code of Conduct](#)
- [Human Rights Declaration](#)
- [Materiality Analysis](#)
- [Labor Standards](#)
- [Anticorruption Policy](#)
- [Supplier Standards](#)
- [Responsible Sourcing](#)
- [Environmental Sustainability Policy](#)
- [Environmental Fisheries](#)
- [Deforestation Policy](#)
- [Work Schedule Policy](#)
- [Remuneration Equality Policy](#)
- [Freedom of Association Policy](#)
- [Sustainable Packaging Policy](#)





# GRI CONTENT INDEX

GRI 102-46, 102-50, 102-54, 102-55

## GRI STANDARDS

The report herein was structured in keeping with the main GRI Standards published by the Global Reporting Initiative (GRI). At Walmart de México y Centroamérica we strive to provide continuity to the clear and transparent publishing of our performance; therefore, this report has been prepared in accordance with the GRI Standards: Comprehensive option.

For the Materiality Disclosures Service, GRI Services reviewed that the GRI Content Index is clearly presented and the references for disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was conducted in the English version of the report.

## SCOPE

This report outlines the performance of all the business formats belonging to Walmart de México y Centroamérica, in the six countries where we operate; its coverage includes omnichannel operations, distribution centers and offices.

## PERIOD

The information contained in this report, covers the period from January 1st to December 31st, 2021.





# GRI CONTENT INDEX

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 101. FOUNDATION 2016</b>						
<b>GRI 102: GENERAL DISCLOSURES 2016</b>						
<b>1. ORGANIZATIONAL PROFILE</b>						
102-1	Name of the organization	Walmart de México y Centroamérica				
102-2	Activities, brands, products and services	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>				
102-3	Location of headquarters	Mexico City, Mexico				
102-4	Location of operations	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>			FB-FR-000.A CG-MR-000.A FB-FR-000.B CG-MR-000.B	
102-5	Ownership and legal form	Pg. 335				
102-6	Markets served	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>				
102-7	Scale of the organization	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>				*
102-8	Information on employees and other workers	Pg. 116,118,121-126			CG-EC-330a.4.	*
102-9	Supply chain	Pg. 161,163-177, 281-291			FB-FR-000.C FB-FR-000.D	*
102-10	Significant changes to the organization and its supply chain	Pg.45-46,48				
102-11	Precautionary Principle or approach	Pg. 193-195, 286-289, 300-305				
102-12	External initiatives	Pg. 28,227-234				
102-13	Membership of associations	<a href="https://www.walmartmexico.com/responsabilidad-corporativa/gobierno-corporativo">https://www.walmartmexico.com/responsabilidad-corporativa/gobierno-corporativo</a>				
<b>2. STRATEGY</b>						
102-14	Statement from senior decision-maker	Pg.5-14		7 & 8		
102-15	Key impacts, risks, and opportunities	Pg. 193-195, 286-289, 300-305				*
	Discussion of the integration of environmental considerations into strategic planning for data center needs				CG-EC-130a.3	



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>3. ETHICS AND INTEGRITY</b>						
102-16	Values, principles, standards, and norms of behavior	<a href="https://files.walmex.mx/assets/files/Resp.%20Corporativa/Descargables/ENG/Walmex_2021_Code_of_Conduct.pdf">https://files.walmex.mx/assets/files/Resp.%20Corporativa/Descargables/ENG/Walmex_2021_Code_of_Conduct.pdf</a>				
102-17	Mechanisms for advice and concerns about ethics	Pg. 258-260				
<b>4. GOVERNANCE</b>						
102-18	Governance structure	Pg. 307-311				
102-19	Delegating authority	Pg.26-27				
102-20	Executive-level responsibility for economic, environmental, and social topics	Pg.26-27				
102-21	Consulting stakeholders on economic, environmental, and social topics	Pg.22-25				
102-22	Composition of the highest governance body and its committees	Pg. 307-311				
102-23	Chair of the highest governance body	Pg. 308				
102-24	Nominating and selecting the highest governance body	Pg.308				
102-25	Conflicts of interest	Pg.261				
102-26	Role of highest governance body in setting purpose, values, and strategy	Pg.309				
102-27	Collective knowledge of highest governance body	Pg.309				
102-28	Evaluating the highest governance body's performance	Pg.309				
102-29	Identifying and managing economic, environmental, and social impacts	Pg.26-27				
102-30	Effectiveness of risk management processes	Pg.26-27,300-305				
102-31	Review of economic, environmental, and social topics	Pg.,22-27				
102-32	Highest governance body's role in sustainability reporting	The Regenerative Committee actively participates in defining content for the Annual Report.		8, 5, 3, 12 & 13		
102-33	Communicating critical concerns	<a href="https://www.walmex.mx/en/esg/corporate-governance.html">https://www.walmex.mx/en/esg/corporate-governance.html</a>				
102-34	Nature and total number of critical concerns	<a href="https://www.walmex.mx/en/esg/corporate-governance.html">https://www.walmex.mx/en/esg/corporate-governance.html</a>				
102-35	Remuneration policies	Pg.160,310				
102-36	Process for determining remuneration	Pg.160,310				

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER			UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
102-37	Stakeholders' involvement in remuneration	<a href="https://www.walmex.mx/en/esg/corporate-governance.html">https://www.walmex.mx/en/esg/corporate-governance.html</a>						
102-38	Annual total compensation ratio	Pg.356						
102-39	Percentage increase in annual total compensation ratio	Pg.356						
<b>5. STAKEHOLDER ENGAGEMENT</b>								
102-40	List of stakeholder groups	Pg.24						
102-41	Collective bargaining agreements	Pg.140					FB-FR-310a.2	
102-42	Identifying and selecting stakeholders	Pg.24						
102-43	Approach to stakeholder engagement	Pg.24, 83-87 Communication with customers.	<b>Mexico</b>	<b>Central America</b>				
			1. Cases when "chat" interactions are not applicable: Walmart Super, Superama, Bodega Despensas; 2. Cases when "WhatsApp and voice" interactions are not applicable: Memberships. 2. Mi Bodega is excluded. 3. Self service formats (Bodega, Mi Bodega, Superama/Walmart Express and Walmart) are considered.	The results presented correspond to March 1st, 2021 through December 31st, 2021.				*
102-44	Temas y preocupaciones clave mencionados	Pg.26-27						
<b>6. REPORTING PRACTICE</b>								
102-45	Entities included in the consolidated financial statements	Pg. 114-115						
102-46	Defining report content and topic boundaries	Pg. 364						
102-47	List of material topics	Pg.22-25						
102-48	Restatements of information	Pg. 114-115						
102-49	Changes in reporting	There were no changes.						
102-50	Reporting period	Pg.364						
102-51	Date of most recent report	The last report was published in 2021 with information from 2020.						
102-52	Reporting cycle	The information in this integrated Annual Report encompasses January 1st to December 31st, 2021, and corresponds to the operations of Walmart de México y Centroamérica.						
102-53	Contact point for questions regarding the report	Pg.432						



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER			UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
102-54	Claims of reporting in accordance with the GRI Standards	Pg.365						
102-55	GRI content index	Pg.365						
102-56	External assurance	Pág.390-429						
<b>7. E-COMMERCE</b>								
	Data processing capacity, percentage outsourced	Pg.53-68					CG-EC-000.B	
	Number of shipments	Pg.53-69					CG-EC-000.C	
	Entity-defined measure of user activity	Pg.53-70					CG-EC-000.A	
<b>FINANCIAL VALUE</b>								
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
103-1	Explanation of the material topic and its boundary	Pg. 102-115						
103-2	The management approach and its components	Pg. 102-115						
103-3	Evaluation of the management approach	Pg. 102-115						
201-1	Direct economic value generated and distributed		<b>Mexico</b>	<b>Central America</b>				
		Pg. 229	The monetary amount of in kind donations considers some donations that correspond to December 2020.	Exchange rate used: 20.3 pesos per dollar.				*
201-2	Financial implications and other risks and opportunities due to climate change	Pg.193-196						
201-3	Defined benefit plan obligations and other retirement plans	Pg. 143						
201-4	Financial assistance received from government	Not available.						
<b>GRI 202: MARKET PRESENCE 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
103-1	Explanation of the material topic and its boundary	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>						
103-2	The management approach and its components	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>						
103-3	Evaluation of the management approach	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>						



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pag.160 Our general pay band for the minimum level is 12% higher than the average minimum wage in Mexico.			FB-FR-310a.1 CG-MR-310a.1	
202-2	Proportion of senior management hired from the local community	Not available.				
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>				
103-2	The management approach and its components	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>				
103-3	Evaluation of the management approach	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>				
203-1	Infrastructure investments and services supported	Pg.111-112				
203-2	Significant indirect economic impacts	<a href="https://www.walmex.mx/en/us/">https://www.walmex.mx/en/us/</a>				*
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.161-177				
103-2	The management approach and its components	Pg.161-177				
103-3	Evaluation of the management approach	Pg.161-177				
204-1	Proportion of spending on local suppliers	For all products of Central America containing protein (poultry, meat and seafood), in order to standardize amounts, they are to be exchanged from local currency to dollars at a rate defined by each country. For Adopt an SME, 104% means the goal was accomplished 100% and it was surpassed by 4%. The local term refers to indicator terms "region/state/country".				*



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER			UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 205: ANTI-CORRUPTION 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
103-1	Explanation of the material topic and its boundary	Pg.262-263			Principle 10			
103-2	The management approach and its components	Pg.262-263						
103-3	Evaluation of the management approach	Pg.262-263						
205-1	Operations assessed for risks related to corruption	Pg.262-263						
205-2	Communication and training about anti-corruption policies and procedures		<b>Mexico</b>	<b>Central America</b>				
		Pg. 262-263	1. This number considers active and inactive trained TPIs by the end of the year. 2. The total associates considered in the indicator includes those active and inactive by the end of the year. 3. Only active associates at the end of the year are considered as the total number.	1. The total associates considered in the indicator includes those active and inactive by the end of the year. 3. Only active associates at the end of the year are considered as the total number.			*	
205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption.						
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
103-1	Explanation of the material topic and its boundary	Pg. 279-280						
103-2	The management approach and its components	Pg. 279-281						
103-3	Evaluation of the management approach	Pg. 279-282						
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Pg. 279-283						*



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 207: TAX 2019</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg. 344-345, 357				
103-2	The management approach and its components	Pg. 344-345, 357				
103-3	Evaluation of the management approach	Pg. 344-345, 357				
207-1	Approach to tax	Pg. 344-345, 357				
207-2	Tax governance, control, and risk management	Pg.310				
207-3	Stakeholder engagement and management of concerns related to tax	Pg. 344-345, 357				
207-4	Country-by-country reporting	Pg. 344-345, 357				
<b>SUSTAINABILITY</b>						
<b>GRI 301: MATERIALS 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.197-207				
103-2	The management approach and its components	Pg.197-207		2, 6 & 12		
103-3	Evaluation of the management approach	Pg.197-207				



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER			UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
301-1	Materials used by weight or volume	<b>Non-renewable materials</b>		<b>Amount</b>	<b>Note</b>			
		<b>Central America</b>						
		Total materials used (ton)	3,889					
		Chemicals (liters)	960					
		Diesel (ton)	1,032	The estimate of diesel consumption is based on the average price for each country.				
		LP Gas	1,562	The estimate of LP gas consumption is based on the average price for each country.				
		Gasoline (liters)	587,432	The estimate of gasoline consumption is based on the average price for each country.				
		Bunker (liters)	1,300	The estimate of bunker consumption is based on the average price for each country.				
		Plastic (bags, plastic film, tarp, boxes, trays, etc.) (ton)	2,015					
		Natural gas (ton)	-	Not applicable				
		Turbosine (liters)	35,443	The estimate of turbosine consumption is based on the average price for each country.				
		<b>Mexico</b>						
		Total materials used (ton)	107,565					
		Diesel (ton)	3,192	Diesel is obtained by an estimate that considers the average annual cost of diesel in Mexico, then the calorific power published by CONUEE is used to convert to energy, and finally the use of theoretical density.				
		LP Gas (ton)	24,314					
		Chemicals (liters)	2,948					
		Plastic (bags, plastic film, tarp, boxes, trays, etc.) (ton)	78,362					
		Natural gas (ton)	7,170	Natural gas is obtained by an estimate that considers the average annual cost of natural gas in Mexico, then the calorific power published by CONUEE is used to convert to energy, and finally the use of fuel density published by PEMEX.				
		Gasoline (liters)	701,850	Gasoline consumption in cars is obtained through an estimate that considers assumptions about annual mileage and theoretical performance of the car.				
		<b>Renewable materials</b>		<b>Amount</b>	<b>Note</b>			
		<b>Mexico</b>						
		Paper (bond, TAB, cards, kraft, bakery bags, tortilla paper) (ton)	12,785					
		Sanitary paper and paper towels (ton)	1,377					
Cardboard (ton)	11,793							
Wood (ton)	300							

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER			UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
		<b>Renewable materials</b>	<b>Amount</b>	<b>Note</b>				
		<b>Central America</b>						
		Paper (bond, TAB, cards, kraft, bakery bags, tortilla paper) (ton)	139					
		Sanitary paper and paper towels (ton)	774					
		Wood (ton)	0					
		Cardboard (ton)	-					
<b>301-2</b>	Recycled input materials		<b>Mexico</b>	<b>Central America</b>				*
			0.4% of the plastic used has recycled material in Mexico.	0% of the sanitary paper and paper towel used has recycled material in Central America.				
<b>301-3</b>	Reclaimed products and packaging materials		<b>Mexico</b>	<b>Central America</b>				
		Pag.207	The % is in line with the target of reducing 3,000 tons of virgin plastic.					
			An annual suppliers' survey is conducted to collect and consolidate information on packaging materials.					
<b>GRI 302: ENERGY 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
<b>103-1</b>	Explanation of the material topic and its boundary	Pg. 189						
<b>103-2</b>	The management approach and its components	Pg. 189				7 & 9		
<b>103-3</b>	Evaluation of the management approach	Pg. 189						

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER				UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
302-1	Energy consumption within the organization		<b>Mexico</b>	<b>Central America</b>				CG-MR-130a.1 CG-EC-130a.1 FB-FR-130a.1	*
			The percentage considers all energy connected/injected to the CFE (National Electric System) grid. All stores have a CFE supply contract and we have a centralized billing of all stores with that power company. Each month we receive centralized billing consumption and amounts of each unit, we validate files, billing and consolidate total consumption in the PAS platform for internal consultancy.	All electricity from non-renewable sources consumed in Central America is distributed by state-owned public companies, and each country in the region has an energy generation matrix that includes renewable and non-renewable sources. The proportionality of non-renewable sources varies by market. For the calculation of energy from non-renewable sources, the energy consumption from external suppliers is added and quantified in its entirety as non-renewable sources.					
302-2	Energy consumption outside of the organization	Pg.189							
302-3	Energy intensity		<b>Mexico</b>	<b>Central America</b>					*
		Pg.189	Internal: electricity, on-site fuels (diesel, LP gas and natural gas), gasoline for utility cars. External: transport fuel (diesel).	Electricity, refrigerant and fossil fuel consumption are used for intensity calculations.					
302-4	Reduction of energy consumption		<b>Mexico</b>	<b>Central America</b>					*
		Pg.189	Internal: electricity, on-site fuels (diesel, LP gas and natural gas), gasoline for utility cars. External: transport fuel (diesel).						
302-5	Reductions in energy requirements of products and services	It does not apply because the company does not manufacture products.							*
<b>GRI 303: WATER AND EFFLUENTS 2018</b>									
<b>GRI 103: MANAGEMENT APPROACH 2016</b>									
103-1	Explanation of the material topic and its boundary	Pg.219-224				Principle 8 & 9			
103-2	The management approach and its components	Pg.219-224							
103-3	Evaluation of the management approach	Pg.219-224							

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER				UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
303-1	Interactions with water as a shared resource	Pg.219-224							*
303-2	Management of water discharge-related impacts	Pg.219-224							
303-3	Water withdrawal		<b>Mexico</b>	<b>Central America</b>				CG-EC-130a.2	*
		Pg.219-220	In Mexico, the total volume reported is an estimate based on the available real consumption of approximately 19.94% of determinants.	In Central America, the total volume reported is an estimate based on the available real consumption of approximately 76.4% of determinants.					
303-4	Water discharge		<b>Mexico</b>	<b>Central America</b>					*
			Water is in compliances with standards set by official Mexican standards NOM-001-SEMARNAT, NOM-002-SEMARNAT and NOM-003-SEMARNAT as well as specific conditions for discharge. In the majority of cases the PTAR (wastewater treatment plant) employs biological treatment for activated sludge, and in very few cases physical-chemical treatment with electro-flocculation is utilized. In all cases, multimedia filters and/or activated carbon are used for tertiary treatment.						
303-5	Water consumption	Pg.219-220						CG-EC-130a.2	*
<b>GRI 304: BIODIVERSITY 2016</b>									
<b>GRI 103: MANAGEMENT APPROACH 2016</b>									
103-1	Explanation of the material topic and its boundary	Pg. 270,211-215 The exchange rate used is 20.3 pesos per dollar				Principle 8 & 9			
103-2	The management approach and its components	Pg. 270,211-215 The exchange rate used is 20.3 pesos per dollar							
103-3	Evaluation of the management approach	Pg. 270,211-215 The exchange rate used is 20.3 pesos per dollar							
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		<b>Mexico</b>	<b>Central America</b>					*
		Pg.270	Projects opened during 2021 are considered.	According to studies conducted, none of the stores opened are found near or within protected areas or zones having great value for biodiversity.					

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER				UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
			<b>Mexico</b>						
304-2	Significant impacts of activities, products, and services on biodiversity	Pg.270	<p>The removal of vegetation to execute the MB Tecamachalco project, the impacted surface area was 5,156.09 m2 (6 Biznaga cacti of the Mammillaria Karwinskiana species), because the area was needed to build the business unit. It was the most significant impact. However, in the Report on Environmental Impact Prevention, dates September 22nd, 2020, issued by the Secretary of the Environment, Sustainable Development and Territorial Regulations for the state of Puebla (attached in the previous question) environmental constraints were determined to mitigate/offset said impact during the construction pahase, on pages 3 and 6. MI BODEGA AURRERA TECAMACHALCO UNIVERSIDAD DET. 4908</p> <p>Location: Puebla-Tehuacán Highway, Km. 58+600, Barrio la Villita, Municipality of Tecamachalco, Puebla.</p> <p>a)Because the site is in an urban area, no material environmental factors were found that could be affected.</p> <p>b) Impacted surface area: 5.16509 km2 or 5,165.09 m2</p> <p>c) Because the site is in an urban area, no material environmental factors were found that could be affected, the term of remediation is not applicable. In addition, the building of this store can be deemed beneficial because measures are being undertaken that will lead to improvements in the dynamics of the current surroundings.</p> <p>d)Abandonment is not contemplated upon termination of the useful life of the project because conservation and maintenance of the infrastructure is considered, in addition to reinforcement of the structures. Use of the property as urban recycling is foreseen in the long term, that is, upon conclusion of the minimum useful life of the project, which is estimated to be in 40 years.</p>					*	
304-3	Habitats protected or restored	Not available.							
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not available.							
<b>GRI 305: EMISSIONS 2016</b>									
<b>GRI 103: MANAGEMENT APPROACH 2016</b>									
103-1	Explanation of the material topic and its boundary	Pg. 184-191							
103-2	The management approach and its components	Pg. 184-191							
103-3	Evaluation of the management approach	Pg. 184-191					7, 9 & 13		*
305-1	Direct (Scope 1) GHG emissions	Pg.186-189						FB-FR-110b.1 FB-FR-110b.3	*
305-2	Energy indirect (Scope 2) GHG emissions	Pg. 186-189							*



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER				UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
305-3	Other indirect (Scope 3) GHG emissions		<b>Mexico</b>	<b>Central America</b>				FB-FR-110a.1 CG-EC-410a.1	*
		Pag.186-188, 190-191	For utility (assigned) cars, the mileage is calculated based on an estimated assumption regarding the distance between the store and the user.						
305-4	Reduction of GHG emissions	Pag 186-187		Greenhouse gas emissions included in the intensity calculations are Scope 1 direct, Scope 2 indirect, and Scope 3 indirect. GHG emissions included in the calculations are: CO2, CH4, N2O and HFC.					*
305-5	Reduction of GHG emissions		<b>Mexico</b>	<b>Central America</b>				CG-EC-410a.2	*
		Pg.186-189		The reported value represents an increase, not a reduction.					
305-6	Emissions of ozone-depleting substances (ODS)		<b>Mexico</b>	<b>Central America</b>	<b>Total</b>			FB-FR-110b.2	*
		Refrigerante R-22 (t CO2e)	2.49	18	20.49				
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Validation of applicability for the company and methodology to be used is under review.							*
<b>GRI 306: WASTE 2020</b>									
<b>GRI 103: MANAGEMENT APPROACH 2016</b>									
103-1	Explanation of the material topic and its boundary	Pg.197-207							
103-2	The management approach and its components	Pg.197-207							
103-3	Evaluation of the management approach	Pg.197-207							
306-1	Waste generation and significant waste-related impacts	Pg.197-207							
306-2	Management of significant waste-related impacts	Pag,199-204							
306-3	Waste generated		<b>Mexico</b>	<b>Central America</b>					
		Pg.200	Consolidated information on collection, donations, recycling and assessments are recorded and then posted to a general database.	The areas in charge are responsible for compiling data from manifests and logbooks on wastes, with the information consolidated by country.					
306-4	Waste diverted from disposal	Pg.199-204							
306-5	Waste directed to disposal	Pg.200							



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg. 270				
103-2	The management approach and its components	Pg. 270				
103-3	Evaluation of the management approach	Pg. 270				
307-1	Non-compliance with environmental laws and regulations	Pg. 270 Confidential information.				*
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.281-289				
103-2	The management approach and its components	Pg.281-289				
103-3	Evaluation of the management approach	Pg.281-289				
308-1	New suppliers that were screened using environmental criteria	Pg.281-289				
308-2	Negative environmental impacts in the supply chain and actions taken	Pg.281-289				*
<b>ANIMAL WELFARE</b>						
	Percentage of revenue from eggs that originated from a cage-free environment and pork produced without the use of gestation crates				FB-FR-430a.2	



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE	
<b>ENABLERS, OPPORTUNITY &amp; COMMUNITY</b>							
<b>GRI 401: EMPLOYMENT 2016</b>							
<b>GRI 103: MANAGEMENT APPROACH 2016</b>							
103-1	Explanation of the material topic and its boundary	Pg. 118-126					
103-2	The management approach and its components	Pg. 118-126					
			<b>Mexico</b>	<b>Central America</b>	<b>Total</b>		
		<b>Total lawsuits filed</b>	6,161	67	6,228		
		Supplier lawsuits	855	1	856		
		Associate lawsuits	5,306	58	5,364		
		<b>Total lawsuits concluded filed this year and filed in previous years</b>	5,328	67	5,395		
		From suppliers	374	-	374		
		From associates	4,954	85	5,039		
	*Reporting for Central America began in 2017.						
103-3	Evaluation of the management approach	Pg. 118-126,277					
401-1	New employee hires and employee turnover		<b>Mexico</b>	<b>Central America</b>	<b>Total</b>		
		Associates turnover rate	63.6	28.45	57.92		CG-MR-310a.2 CG-EC-330a.2
		Pág 118-126,277					
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg.143					
401-3	Parental leave	Pg. 146-147					
<b>GRI 402: LABOR/MANAGEMENT RELATIONS 2016</b>							
<b>GRI 103: MANAGEMENT APPROACH 2016</b>							
103-1	Explanation of the material topic and its boundary	Pg.277					
103-2	The management approach and its components	Pg.277					
103-3	Evaluation of the management approach	Pg.277					
402-1	Minimum notice periods regarding operational changes	Pg.277 Compliance with labor law.					



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>EMPLOYEE ENGAGEMENT</b>						
	Employee engagement as a percentage	Pg.138-139			CG-EC-330a.1	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
<b>103-1</b>	Explanation of the material topic and its boundary	Pg.251-256				
<b>103-2</b>	The management approach and its components	Pg.251-256				
<b>103-3</b>	Evaluation of the management approach	Pg.251-256				
<b>403-1</b>	Occupational health and safety management system	Pg.251-256				
<b>403-2</b>	Hazard identification, risk assessment, and incident investigation	Pg.251-256				*
<b>403-3</b>	Occupational health services	Pg.142-145				
<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	Pg.251-256				
<b>403-5</b>	Worker training on occupational health and safety	Pag.251				
<b>403-6</b>	Promotion of worker health	Pg.142-147		3		
<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg.251-256				
<b>403-8</b>	Workers covered by an occupational health and safety management system	Pg.251-256				
<b>403-9</b>	Work-related injuries	Pg.251-256				
<b>403-10</b>	Work-related ill health	Pg.251-256 Confidential information.				



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 404: TRAINING AND EDUCATION 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.127-135		4		
103-2	The management approach and its components	Pg.127-135				
103-3	Evaluation of the management approach	Pg.127-135				
404-1	Average hours of training per year per employee	Pg.128				*
404-2	Programs for upgrading employee skills and transition assistance programs	Pg.127-135 The exchange rate used is 20.3 pesos per dollar				
404-3	Percentage of employees receiving regular performance and career development reviews	Pg.136-137				
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.148-160		5 & 10		
103-2	The management approach and its components	Pg.148-160				
103-3	Evaluation of the management approach	Pg.148-160				
405-1	Diversity of governance bodies and employees	Pg.120-126, 308,310,311			CG-EC-330a.3 CG-MR-330a.1	*
405-2	Ratio of basic salary and remuneration of women to men	Confidential information.				
<b>GRI 406: NON-DISCRIMINATION 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.159, 261	Principle 3 & 6	5 & 10		
103-2	The management approach and its components	Pg.159, 261				
103-3	Evaluation of the management approach	Pag.159, 261				
406-1	Incidents of discrimination and corrective actions taken	Pg.259-261				*



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.140		5, 8 & 10		
103-2	The management approach and its components	Pg.140				
103-3	Evaluation of the management approach	Pg.140				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg.140, 281-291				*
<b>GRI 408: CHILD LABOR 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.277, 281-291	Principle 5	5 & 10		
103-2	The management approach and its components	Pg.277, 281-291				
103-3	Evaluation of the management approach	Pg.277, 281-291				
408-1	Operations and suppliers at significant risk for incidents of child labor	Pg.277, 281-291				*
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.141, 277, 281-291	Principle 4	5 & 10		
103-2	The management approach and its components	Pg.141, 277, 281-291				
103-3	Evaluation of the management approach	Pg.141, 277, 281-291				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pg.141, 277, 281-291				*
<b>GRI 410: SECURITY PRACTICES 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg. 257-260				
103-2	The management approach and its components	Pg. 257-260				
103-3	Evaluation of the management approach	Pg. 257-260				
410-1	Security personnel trained in human rights policies or procedures	Pg. 257-260				



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.306				
103-2	The management approach and its components	Pg.306				
103-3	Evaluation of the management approach	Pg.306				
411-1	Incidents of violations involving rights of indigenous peoples	Zero				
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.281-291,306	Principle 1 & 2			
103-2	The management approach and its components	Pg.281-291,306				
103-3	Evaluation of the management approach	Pg.281-291,306				
412-1	Operations that have been subject to human rights reviews or impact assessments	Pg.281-291,306				*
412-2	Employee training on human rights policies or procedures	Pg.281-291,306				*
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Pg.281-291,306				
<b>GRI 413: LOCAL COMMUNITIES 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.227-238		1, 2, 8 & 17		
103-2	The management approach and its components	Pg.227-238				
103-3	Evaluation of the management approach	Pg.227-238				
413-1	Operations with local community engagement, impact assessments, and development programs	At Una Mano para Crecer (A Helping Hand to Grow) ,the number of jobs generated is based on an extrapolation of a sample of suppliers that answered the questionnaire. 86% increase in income compared to 2019 performance . Exchange rate used: 20.3 pesos per dollar. 632 farmers selling and the 11% of women only includes growers of the Fertile Soil program. Red Cross is considere as an institution benefiting from the Food Security programs. The monetary amount of in kind donations considers and the amounts that correspond to December 2020.				*
413-2	Operations with significant actual and potential negative impacts on local communities	In Mexico, there were 72 social impact claims handled by the Community Support area.				



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER			UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
103-1	Explanation of the material topic and its boundary	Pg.281-291						
103-2	The management approach and its components	Pg.281-291						
103-3	Evaluation of the management approach	Pg.281-291						
414-1	New suppliers that were screened using social criteria	Pg.281-291						*
414-2	Negative social impacts in the supply chain and actions taken	Pg.281-291						*
<b>GRI 415: PUBLIC POLICY 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
103-1	Explanation of the material topic and its boundary	Not applicable.						
103-2	The management approach and its components	Not applicable.						
103-3	Evaluation of the management approach	Not applicable.						
415-1	Political contributions	Political contributions are totally prohibited by the company's Anti-corruption Policy.						
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>								
<b>GRI 103: MANAGEMENT APPROACH 2016</b>								
103-1	Explanation of the material topic and its boundary	Pg.252-253, 264-267,271-272,275-276, 292-293						
103-2	The management approach and its components	Pg.252-253, 264-267,271-272,275-276, 292-293						
103-3	Evaluation of the management approach	Pg.252-253, 264-267,271-272,275-276, 292-293						
416-1	Assessment of the health and safety impacts of product and service categories	<b>Medimart Audits</b>	<b>Mexico</b>	<b>Central America</b>				*
		Ongoing audits		2				
		Audits not approved, pending reauditing		3				
		Pending audits		2				
		Exempt suppliers		12				
Suppliers who import their products (they are not audited, we have CBPF)	The term "dropped supplier" is used for MEDIMART's internal controls.							

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER				UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<b>Health and Safety incidents</b>	<b>Mexico</b>	<b>Central America</b>	<b>Total</b>				
		Total cases of non-compliance relative to the impact on health and safety in product and services categories	1,534	83					
		<b>Consumer protection</b>	<b>Mexico</b>	<b>Central America</b>	<b>Total</b>				
		Complaints filed with PROFECO	2,192	53	2,245				
		Concluded	1,827	10	1,837				
		Pending final decision	365	43	408				
		<b>Recalls</b>	<b>Mexico</b>	<b>Central America</b>	<b>Total</b>				
		Recalls	1,107	41	1,148				*
		Voluntary recalls from suppliers	15	1	16				
		Corporate recalls	1,045	35	1,080				
		Recalls mandated by the authority	47	5	52				
		Measures adopted in light of removals	The different departments under Compliance have established policies, procedures, manuals, SOPs (Standard Operating Procedures), etc. These have enabled the company to mitigate the risk of having products “Not Suitable for Sale” on the sales floor. There is a procedure for notification and removal of products.	The requesting party fills out a form for the removal of products using the SIGO tool. The corresponding Compliance department -Food Safety- sends an email to SAC (Customer Service). The SAC team then resends the email to those stores where the product removal is applicable.					
	High-risk food safety violation rate	Pg. 264-267						FB-FR-250a.1	
	Number of recalls, number of units recalled, percentage of units recalled that are private-label products	Pg. 264-267						FB-FR-250a.2	
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Pg.240 - 242						FB-FR-260a.2	



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>GRI 417: MARKETING AND LABELING 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg.293				
103-2	The management approach and its components	Pg.293				
103-3	Evaluation of the management approach	Pg.293				
417-1	Requirements for product and service information and labeling	Pg.293				
417-2	Incidents of non-compliance concerning product and service information and labeling	Pg.293			FB-FR-270a.1	
417-3	Incidents of non-compliance concerning marketing communications	Pg.293				
	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	Pg.293			FB-FR-270a.2	
	Revenue from products labeled as containing genetically modified organisms (GMOs) and non-GMO	Pg.293			FB-FR-270a.3	
	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Pg.293			FB-FR-260a.1	
<b>DATA SECURITY</b>						
	Description of approach to identifying and addressing data security risks	Pag.295-299			FB-FR-230a.2 CG-MR-230a.1 CG-EC-230a.1	
<b>GRI 418: CUSTOMER PRIVACY 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Págs. 268-269				
103-2	The management approach and its components	Págs. 268-269				
103-3	Evaluation of the management approach	Págs. 268-269				



GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER	UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Págs. 268-269 Information related to breaches is confidential.			FB-FR-230a.1 CG-MR-230a.2 CG-EC-230a.2	*
	Number of users whose information is used for secondary purposes	Págs. 268-269 Information related to users is confidential.			CG-EC-220a.1	
	Description of policies and practices relating to behavioral advertising and user privacy	Págs. 268-269 Information related to users is confidential.			CG-EC-220a.2	
<b>GRI 419: SOCIOECONOMIC COMPLIANCE 2016</b>						
<b>GRI 103: MANAGEMENT APPROACH 2016</b>						
103-1	Explanation of the material topic and its boundary	Pg. 247-294				
103-2	The management approach and its components	Pg. 247-294				
103-3	Evaluation of the management approach	Pg. 247-294				
419-1	Non-compliance with laws and regulations in the social and economic area	Pg. 247-294			FB-FR-310a.4 CG-MR-310a.3 CG-MR-330a.2 FB-FR-310a.3	*
<b>ENABLERS, OPPORTUNITY &amp; COMMUNITY</b>						
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Pg.194-223,281-291			FB-FR-430a.3	
	Discussion of strategies to reduce the environmental impact of packaging	Pg.205-210			FB-FR-430a.4 CG-MR-410a.3	
	Revenue from products third-party certified to environmental and/or social sustainability standards	Pg.211-218			CG-MR-410a.1 FB-FR-430a.1	
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Pg. 275-276			CG-MR-410a.2	

GRI DISCLOSURES	DESCRIPTION	PAGE, URL AND/OR DIRECT ANSWER			UN GLOBAL COMPACT PRINCIPLE	SDGs	SASB CODES	EXTERNAL ASSURANCE
<b>COMMODITIES SUSTENTABLES</b>								
	Palm oil	Págs. 183, 213	<b>Mexico</b> This figure corresponds to 9.3% of the suppliers who participated in the sustainability survey and who use palm oil in Private Brands products.	<b>Central America</b> Corresponds to 55.5% of suppliers, with coverage from October 2020 to September 2021				
	Pappel, pulp and wood	Págs. 183, 214	<b>Mexico</b> This figure corresponds to 27.9% of suppliers who participated in the annual sustainability survey of suppliers	<b>Central America</b> Corresponds to 40% of suppliers with coverage from October 2020 to September 2021				
	Fishery	Págs. 183, 215	<b>Mexico</b> The data corresponds to 44.68% of the suppliers that reported their fishing information. The canned tuna data corresponds to 100% of the suppliers.	<b>Central America</b>				



GRI 102-56



**Independent Limited Assurance Report on the Contents of the Standards *Global Reporting Initiative (“GRI”) and Sustainability Accounting Standards Board (“SASB”) (Non-Financial Information)***

To Nueva Wal-Mart de México, S. de R.L. de C.V.:

We were engaged by the Administration of Nueva Wal-Mart de México, S. de R.L. de C.V. (hereinafter "Walmart") to report on the Environmental, Social and Corporate Governance (ESG) Performance Indicators of the Contents of the Global Reporting Initiative ("GRI") and the Sustainability Accounting Standards Board ("SASB") (Non-Financial Information), prepared and presented by Walmart's ESG and Corporate Development areas, included in Walmart's 2021 Report for the period from January 1 to December 31, 2021 (the "Annual Report"), that are detailed in Annex A attached to this report (the "Contents"), in the form of an independent conclusion of limited assurance, regarding whether, based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared in all material respects, in accordance with the Standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board ("SASB").

***Management responsibilities***

Walmart Management is responsible for the preparation and presentation of the information subject to our review and the information and statements contained within it.

Walmart Management is responsible for designing, implementing and maintaining the relevant internal control for the preparation and presentation of the information subject to our review, which is free from material errors, whether due to fraud or error.

Walmart Management is also responsible for ensuring that the personnel involved in the preparation of the Contents are adequately trained, the information systems are duly updated and that any change in the presentation of data and/or in the form of reporting, include all significant reporting units.

(Continue)

***Our responsibilities***

Our responsibility is to carry out a limited assurance engagement on the information concerning the Contents included in the 2021 Report and to express an independent conclusion of limited assurance based on the evidence obtained. We carry out our work based on the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board, that standard requires that we plan and perform the engagement to obtain limited assurance about whether, based on our work and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents included in the 2021 Report for the period from January 1 to December 31, 2021, are not prepared in all material respects, in accordance with the Standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board ("SASB").

KPMG CARDENAS DOSAL S.C. (the "Firm") applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our knowledge and experience of the Contents presented in the 2021 Report and other circumstances of the work, and our consideration of the areas in which material errors may occur.

When obtaining an understanding of the Contents included in the 2021 Report, and other work circumstances, we have considered the processes used to prepare the Contents, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of Walmart's internal control over the preparation and presentation of the Contents included in the 2021 Report.

(Continue)



Our engagement also included assessing the appropriateness of the main subject, the suitability of the criteria used by Walmart in the preparation of the Contents, assessing the appropriateness of the methods, policies and procedures, as well as models used.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Criteria**

The criteria on which the preparation of the Contents has been evaluated refer to the established requirements and in accordance with the Standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (“SASB”) that are detailed in Annex A.

**Inherent limitations**

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

**Conclusion**

Our conclusion has been formed based on, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

(Continue)



Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Contents detailed in Annex A attached to this assurance report, prepared by Walmart's Sustainability and Social Responsibility area and included in Walmart's 2021 Report for the period from January 1 to December 31, 2021 are not prepared in all material aspects, in accordance with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board ("SASB").

**Restriction of use of our report**

Our report should not be regarded as suitable to be used or relied on by any party to acquire rights against us other than ESG and Walmart Corporate Development, for any purpose or in any other context. Any party other than Walmart's ESG and Corporate Development areas who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Walmart for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to Walmart, on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

**KPMG CARDENAS DOSAL S.C.**

Alberto Dosal Montero  
Partner

Mexico City, March 14<sup>th</sup>, 2022



**Annex A**

Description of the Contents object of the limited assurance engagement.

GRI Standard	Disclosure	SASB Food Retailers and Distributors (FB-FR) Multiline and Specialty Retailers Distributors (CG-MR) e-Commerce (CG-EC)	Coverage of the organization (MX/CAM)	Units / Reference	
<b>GRI 102 General Disclosures 2016</b>	102-7	Scale of the organization.		MX/CAM	Total associates
	102-7	Scale of the organization.		MX	Total associates
	102-7	Scale of the organization.		CAM	Total associates
	102-8	Information on employees and other workers.		MX/CAM	Jobs generated
	102-8	Information on employees and other workers.		MX/CAM	Total Staff associates
	102-8	Information on employees and other workers.		MX	Total Staff associates
	102-8	Information on employees and other workers.		CAM	Total Staff associates
	102-8	Information on employees and other workers.		MX/CAM	Total Operations associates
	102-8	Information on employees and other workers.		MX	Total Operations associates
	102-8	Information on employees and other workers.		CAM	Total Operations associates
	102-8	Information on employees and other workers.		MX/CAM	Total Women associates

"D.R." © KPMG Cárdenas Dosal, S.C., la firma mexicana miembro de la red de firmas miembro de KPMG afiliadas a KPMG International Cooperative ("KPMG International"), una entidad suiza, impresa en México. Todos los derechos reservados.

Aguascalientes, Agu. | Guadalajara, Jal. | Puebla, Pue.  
 Cancun, Q. Roo. | Hermosillo, Son. | Querétaro, Qro.  
 Ciudad de México. | León, Gto. | Reynosa, Tamps.  
 Ciudad Juárez, Chh. | Mérida, Yuc. | Sanillo, Coah.  
 Culiacán, Sin. | Mexicali, B.C. | San Luis Potosí, S.L.P.  
 Chihuahua, Chih. | Monterrey, N.L. | Tijuana, B.C.



	102-8	Information on employees and other workers.		MX/CAM	Total Women Staff associates
	102-8	Information on employees and other workers.		MX/CAM	Total Women Operations associates
	102-8	Information on employees and other workers.		MX	Total Women associates
	102-8	Information on employees and other workers.		MX	Total Women Staff associates
	102-8	Information on employees and other workers.		MX	Total Women Operations associates
	102-8	Information on employees and other workers.		CAM	Total Women associates
	102-8	Information on employees and other workers.		CAM	Total Women Staff associates
	102-8	Information on employees and other workers.		CAM	Total Women Operations associates
	102-8	Information on employees and other workers.		MX/CAM	Total Men associates
	102-8	Information on employees and other workers.		MX/CAM	Percentage of Men associates
	102-8	Information on employees and other workers.		MX/CAM	Total Men Staff associates
	102-8	Information on employees and other workers.		MX/CAM	Total Men Operations associates
	102-8	Information on employees and other workers.		MX	Total Men associates
	102-8	Information on employees and other workers.		MX	Percentage of Men associates



	102-8	Information on employees and other workers.		MX	Total Men Staff associates
	102-8	Information on employees and other workers.		MX	Total Men Operations associates
	102-8	Information on employees and other workers.		CAM	Total Men associates
	102-8	Information on employees and other workers.		CAM	Percentage of Men associates
	102-8	Information on employees and other workers.		CAM	Total Men Staff associates
	102-8	Information on employees and other workers.		CAM	Total Men Operations associates
	102-8	Information on employees and other workers.		MX	Total Executive associates
	102-8	Information on employees and other workers.		MX	Total Men Executive associates
	102-8	Information on employees and other workers.		MX	Total Women Executive associates
	102-8	Information on employees and other workers.		CAM	Total Executive associates
	102-8	Information on employees and other workers.		CAM	Total Men Executive associates
	102-8	Information on employees and other workers.		CAM	Total Women Executive associates
	102-8	Information on employees and other workers.		MX	Total Non-executive associates
	102-8	Information on employees and other workers.		MX	Total Men Non-executive associates



102-8	Information on employees and other workers.		MX	Total Women Non-executive associates
102-8	Information on employees and other workers.		CAM	Total Non-executive associates
102-8	Information on employees and other workers.		CAM	Total Men Non-executive associates
102-8	Information on employees and other workers.		CAM	Total Women Non-executive associates
102-8	Information on employees and other workers.		MX/CAM	Total Vice-President associates
102-8	Information on employees and other workers.		MX/CAM	Total Director associates
102-8	Information on employees and other workers.		MX/CAM	Total Assistant Director associates
102-8	Information on employees and other workers.		MX/CAM	Total Manager associates
102-8	Information on employees and other workers.		MX/CAM	Total Assistant manager associates
102-8	Information on employees and other workers.		MX/CAM	Total Department Managers associates
102-8	Information on employees and other workers.		MX/CAM	Total Hourlies associates
102-8	Information on employees and other workers.		MX	Total Vice-President associates
102-8	Information on employees and other workers.		MX	Total Director associates
102-8	Information on employees and other workers.		MX	Total Assistant Director associates



102-8	Information on employees and other workers.		MX	Total Manager associates
102-8	Information on employees and other workers.		MX	Total Assistant manager associates
102-8	Information on employees and other workers.		MX	Total Department Managers associates
102-8	Information on employees and other workers.		MX	Total Hourlies associates
102-8	Information on employees and other workers.		CAM	Total Vice-President associates
102-8	Information on employees and other workers.		CAM	Total Director associates
102-8	Information on employees and other workers.		CAM	Total Assistant Director associates
102-8	Information on employees and other workers.		CAM	Total Manager associates
102-8	Information on employees and other workers.		CAM	Total Assistant manager associates
102-8	Information on employees and other workers.		CAM	Total Department Managers associates
102-8	Information on employees and other workers.		CAM	Total Hourlies associates
102-8	Information on employees and other workers.		MX	Total Permanent associates
102-8	Information on employees and other workers.		MX	Total Women Permanent associates
102-8	Information on employees and other workers.		MX	Total Men Permanent associates



	102-8	Information on employees and other workers.		MX	Total Permanent, Full-time associates
	102-8	Information on employees and other workers.		MX	Total Women Permanent, Full-time associates
	102-8	Information on employees and other workers.		MX	Total Men Permanent, Full-time associates
	102-8	Information on employees and other workers.		MX	Total Permanent, Part-time associates
	102-8	Information on employees and other workers.		MX	Total Women Permanent, Part-time associates
	102-8	Information on employees and other workers.		MX	Total Men Permanent, Part-time associates
	102-8	Information on employees and other workers.		CAM	Total Permanent associates
	102-8	Information on employees and other workers.		CAM	Total Women Permanent associates
	102-8	Information on employees and other workers.		CAM	Total Men Permanent associates
	102-8	Information on employees and other workers.		CAM	Total Permanent, Full-time associates
	102-8	Information on employees and other workers.		CAM	Total Women Permanent, Full-time associates
	102-8	Information on employees and other workers.		CAM	Total Men Permanent, Full-time associates
	102-8	Information on employees and other workers.		CAM	Total Permanent, Part-time associates
	102-8	Information on employees and other workers.		CAM	Total Women Permanent, Part-time associates



	102-8	Information on employees and other workers.		CAM	Total Men Permanent, Part-time associates
	102-8	Information on employees and other workers.		MX	Total Temporary associates
	102-8	Information on employees and other workers.		MX	Total Women Temporary associates
	102-8	Information on employees and other workers.		MX	Total Men Temporary associates
	102-8	Information on employees and other workers.		MX	Total Temporary, Full-time associates
	102-8	Information on employees and other workers.		MX	Total Women Temporary, Full-time associates
	102-8	Information on employees and other workers.		MX	Total Men Temporary, Full-time associates
	102-8	Information on employees and other workers.		MX	Total Temporary, Part-time associates
	102-8	Information on employees and other workers.		MX	Total Women Temporary, Part-time associates
	102-8	Information on employees and other workers.		MX	Total Men Temporary, Part-time associates
	102-8	Information on employees and other workers.		CAM	Total Temporary associates
	102-8	Information on employees and other workers.		CAM	Total Women Temporary associates
	102-8	Information on employees and other workers.		CAM	Total Men Temporary associates
	102-8	Information on employees and other workers.		CAM	Total Temporary, Full-time associates



	102-8	Information on employees and other workers.		CAM	Total Women Temporary, Full-time associates
	102-8	Information on employees and other workers.		CAM	Total Men Temporary, Full-time associates
	102-8	Information on employees and other workers.		CAM	Total Temporary, Part-time associates
	102-8	Information on employees and other workers.		CAM	Total Women Temporary, Part-time associates
	102-8	Information on employees and other workers.		CAM	Total Men Temporary, Part-time associates
	102-9	Supply chain.	FB-FR-000.C FB-FR-000.D	MX	Total suppliers (RFCs)
	102-9	Supply chain.	FB-FR-000.C FB-FR-000.D	CAM	Total suppliers (RFCs)
	102-11	Precautionary Principle or approach.		MX/CAM	
	102-15	Key impacts, risks, and opportunities.			
	102-16	Values, principles, Standards, and norms of behavior.		MX/CAM	
	102-43	Approach to stakeholder engagement.			
	102-43	Net Promoter Score (NPS).		MX	Percentage
	102-43	Net Promoter Score (NPS).		CAM	Percentage
	102-43	Client Satisfaction rate.		MX	Number (scale 1-10)



102-43	Client Satisfaction rate.		CAM	Number (scale 1-5)
102-43	Number of surveys conducted (answered).		MX	Number
102-43	Number of surveys conducted (answered).		CAM	Number
102-43	CEI (Customer Experience Index). Number of surveys answered.		MX	Number
102-43	AEI BRICK General Satisfaction.		MX	Number (scale 1-10)
102-43	AEI BRICK. Net Promotion Rate.		MX	Percentage
102-43	AEI BRICK. Renewal Intent.		MX	Percentage
102-43	ONLINE General Satisfaction.		MX	Number (scale 1-10)
102-43	ONLINE Net Promotion Rate.		MX	Percentage
102-43	ONLINE Net Promotion Rate.		CAM	Percentage
102-43	BODEGA Results. CEI NPS.		MX	Percentage
102-43	WALMART Results. General satisfaction CEI.		CAM	Number (scale 1-5)
102-43	WALMART Results. CEI NPS.		MX	Percentage
102-43	MI BODEGA Results. CEI NPS.		MX	Percentage
102-50	Reporting period.		MX/CAM	Period
102-52	Reporting cycle		MX/CAM	Periodicity
102-53	Contact point for questions regarding the report.		MX/CAM	
102-54	Claims of reporting in accordance with the GRI Standards		MX/CAM	Statement
102-55	GRI Content Index		MX/CAM	Index
102-56	External Assurance		MX/CAM	Assurance



<b>GRI 201: Economic performance 2016</b>	201-1	Direct economic value generated and distributed.		MX/CAM	
	201-1b	Total resources directed to community investments.		MX	Millions of Pesos
	201-1b	Total resources directed to community investments.		CAM	USD
	201-1b	Total of beneficiaries.		MX	Number
	201-1b	Total of beneficiaries.		CAM	Number
	201-1b	Number of collaborator Institutions per region.		MX	Number
	201-1b	Number of collaborator Institutions per region.		CAM	Number
<b>GRI 203: Indirect economic impacts 2016</b>	203-2	Significant indirect economic impacts		MX/CAM	Qualitative statement
<b>GRI 204: Procurement practices 2016</b>	204-1	Proportion of spending on local suppliers.		MX/CAM	Breakdown below
	204-1	OUR BRANDS SELF-SERVICE. Percentage of national/regional suppliers of Our Brands.		MX	Percentage
	204-1	OUR BRANDS SELF-SERVICE. Percentage of national/regional suppliers of Our Brands.		CAM	Percentage
	204-1	OUR BRANDS SELF-SERVICE. Percentage of sales from national/regional suppliers of Our Brands.		MX	Percentage



	204-1	OUR BRANDS SELF-SERVICE. Percentage of sales from national/regional suppliers of Our Brands.		CAM	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of buying from national/regional suppliers.		MX	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of buying from national/regional suppliers.		CAM	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of purchasing from national/regional product.		MX	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of purchasing from national/regional product.		CAM	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of buying directly from farmers.		MX	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of buying directly from farmers.		CAM	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of buying from direct imports.		MX	Percentage
	204-1	FRUITS AND VEGETABLES. Percentage of buying from direct imports.		CAM	Percentage
	204-1	MEAT. Percentage of buying from national/regional suppliers.		MX	Percentage



204-1	MEAT. Percentage of buying from national/regional suppliers.		CAM	Percentage
204-1	MEAT. Percentage of purchasing from national/regional product.		MX	Percentage
204-1	MEAT. Percentage of purchasing from national/regional product.		CAM	Percentage
204-1	MEAT. Percentage of buying directly from farmers.		MX	Percentage
204-1	MEAT. Percentage of buying directly from farmers.		CAM	Percentage
204-1	MEAT. Percentage of buying from direct imports.		MX	Percentage
204-1	MEAT. Percentage of buying from direct imports.		CAM	Percentage
204-1	POULTRY. Percentage of buying from national/regional suppliers.		MX	Percentage
204-1	POULTRY. Percentage of buying from national/regional suppliers.		CAM	Percentage
204-1	POULTRY. Percentage of purchasing from national/regional product.		MX	Percentage
204-1	POULTRY. Percentage of purchasing from national/regional product.		CAM	Percentage
204-1	POULTRY. Percentage of buying directly from farmers.		MX	Percentage
204-1	POULTRY. Percentage of buying directly from farmers.		CAM	Percentage
204-1	POULTRY. Percentage of buying from direct imports.		MX	Percentage



204-1	POULTRY. Percentage of buying from direct imports.		CAM	Percentage
204-1	SEAFOOD. Percentage of buying from national/regional suppliers.		MX	Percentage
204-1	SEAFOOD. Percentage of buying from national/regional suppliers.		CAM	Percentage
204-1	SEAFOOD. Percentage of purchasing from national/regional product.		MX	Percentage
204-1	SEAFOOD. Percentage of purchasing from national/regional product.		CAM	Percentage
204-1	SEAFOOD. Percentage of buying directly from farmers.		MX	Percentage
204-1	SEAFOOD. Percentage of buying directly from farmers.		CAM	Percentage
204-1	SEAFOOD. Percentage of buying from direct imports.		MX	Percentage
204-1	SEAFOOD. Percentage of buying from direct imports.		CAM	Percentage
204-1	ADOPT AN SME. Number of suppliers participants on current generation.		MX	Number
204-1	ADOPT AN SME. Program objective.		MX	Qualitative statement
204-1	ADOPT AN SME. Objective scope.		MX	Percentage
204-1	ADOPT AN SME. Yearly sales.		MX	Millions of Pesos
204-1	ADOPT AN SME. Percentage of Women suppliers.		MX	Percentage



	204-1	TIERRA FERTIL (Fertile soil). Number of small farmers.		CAM	Number
	204-1	TIERRA FERTIL (Fertile soil). Number of benefitted families.		CAM	Number
	204-1	TIERRA FERTIL (Fertile soil). Amount of sourcing generated.		CAM	USD
	204-1	TIERRA FERTIL (Fertile soil). Percentage of small women farmers.		CAM	Percentage
	204-1	UNA MANO PARA CRECER (A helping Hand). Number of suppliers.		CAM	Number
	204-1	UNA MANO PARA CRECER (A helping Hand). Sales.		CAM	USD
	204-1	UNA MANO PARA CRECER (A helping Hand). Percentage of women suppliers.		CAM	Percentage
	204-1	UNA MANO PARA CRECER. Program objective		CAM	Qualitative statement
<b>GRI 205: Anti-corruption 2016</b>	205-2	Communication and training about anti-corruption policies and procedures.		MX	Total informed business partners
	205-2	Communication and training about anti-corruption policies and procedures.		CAM	Total informed business partners
	205-2	Communication and training about anti-corruption policies and procedures.		MX	Total informed associates



	205-2	Communication and training about anti-corruption policies and procedures.		CAM	Total informed associates
	205-2	Communication and training about anti-corruption policies and procedures.		MX	Percentage of Governance Members that received training
	205-2	Communication and training about anti-corruption policies and procedures.		CAM	Percentage of Governance Members that received training
<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume.		MX	Total materials consumed (tons)
	301-1	Materials used by weight or volume.		CAM	Total materials consumed (tons)
	301-1	Materials used by weight or volume.		MX	Tons of diesel
	301-1	Materials used by weight or volume.		MX	Tons of LP Gas
	301-1	Materials used by weight or volume.		MX	Liters of gasoline
	301-1	Materials used by weight or volume.		MX	Tons of natural gas
	301-1	Materials used by weight or volume.		CAM	Tons of diesel
	301-1	Materials used by weight or volume.		CAM	Tons of LP Gas
	301-1	Materials used by weight or volume.		CAM	Liters of gasoline



	301-1	Materials used by weight or volume.		CAM	Tons of bunker
	301-1	Materials used by weight or volume.		CAM	Liters of jet fuel
	301-1a	Total paper consumption (bond, TAB, cards, kraft, bakery bags, tortilla paper).		MX	Tons
	301-1a	Total paper consumption (bond, TAB, cards, kraft, bakery bags, tortilla paper).		CAM	Tons
	301-1a	Total consumption of sanitary paper and paper towels.		MX	Tons
	301-1a	Total consumption of sanitary paper and paper towels.		CAM	Tons
	301-1a	Total consumption of cardboard.		MX	Tons
	301-1a	Total wood consumption.		MX	Tons
	301-1b	Total consumption of chemicals.		MX	Tons
	301-1b	Total consumption of chemicals.		CAM	Tons
	301-1b	Total plastic consumption (bags, plastic film, tarp, boxes, trays, etc.).		MX	Tons
	301-1b	Total plastic consumption (bags, plastic film, tarp, boxes, trays, etc.).		CAM	Tons
	301-2	Recycled input materials used.			
	301-2	Plastic used that has recycled material.		MX	Percentage of recycled input materials used for manufacturing
	301-2	Plastic used that has recycled material.		CAM	Percentage of recycled input materials used for manufacturing



	301-2	Bond paper (prints and TAB) used that has recycled material.		CAM	Percentage of recycled input materials used for manufacturing
	301-2	Paper towel used that has recycled material.		CAM	Percentage of recycled input materials used for manufacturing
	301-2	Percentage of recyclable, reusable, and compostable packaging from Our Brands products.		MX	Percentage
	301-2	Post- consumer recycled material from Our Brands products packaging.		MX	Percentage
	301-2	Virgin plastic avoided/reduced.		MX	Tons
	301-2	Progress towards the goal of reducing 3,000 tons of virgin plastic by 2025, compared to 2020.		MX	Percentage of progress
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization.	CG-MR-130a.1 CG-EC-130a.1 FB-FR-130a.1	MX	Total energy consumption in GJ
	302-1	Energy consumption within the organization.	CG-MR-130a.1 CG-EC-130a.1 FB-FR-130a.1	MX	Total non-renewable energy consumption in GJ
	302-1	Energy consumption within the organization.	CG-MR-130a.1 CG-EC-130a.1 FB-FR-130a.1	MX	Total renewable energy consumption in GJ
	302-1	Energy consumption within the organization.	CG-MR-130a.1 CG-EC-130a.1 FB-FR-130a.1	CAM	Total energy consumption in GJ
	302-1	Energy consumption within the organization.	CG-MR-130a.1 CG-EC-130a.1 FB-FR-130a.1	CAM	Total non-renewable energy consumption in GJ



	302-1	Energy consumption within the organization.	CG-MR-130a.1 CG-EC-130a.1 FB-FR-130a.1	CAM	Total renewable energy consumption in GJ
	302-3	Energy intensity.		MX	GJ/m <sup>2</sup>
	302-3	Energy intensity.		MX	Types of energy included in the intensity ratio
	302-3	Energy intensity.		CAM	GJ/m <sup>2</sup>
	302-3	Energy intensity.		CAM	Types of energy included in the intensity ratio
<b>GRI 303: Water and effluents 2018</b>	303-1	Interactions with water as a shared resource.		MX/CAM	
	303-2	Management of water discharge related impacts		MX	
	303-3	Water withdrawal.	CG-EC-130a.2	MX	m <sup>3</sup> total withdrawal
	303-3	Water withdrawal.	CG-EC-130a.2	MX	m <sup>3</sup> municipal supply
	303-3	Water withdrawal.	CG-EC-130a.2	MX	m <sup>3</sup> well supply
	303-3	Water withdrawal.	CG-EC-130a.2	MX	m <sup>3</sup> piping supply
	303-3	Water withdrawal.	CG-EC-130a.2	MX	m <sup>3</sup> water withdrawal from areas with water stress
	303-3	Water withdrawal.	CG-EC-130a.2	CAM	m <sup>3</sup> total withdrawal
	303-3	Water withdrawal.	CG-EC-130a.2	CAM	m <sup>3</sup> municipal supply
	303-3	Water withdrawal.	CG-EC-130a.2	CAM	m <sup>3</sup> well supply
	303-3	Water withdrawal.	CG-EC-130a.2	CAM	m <sup>3</sup> piping supply
	303-3	Water withdrawal.	CG-EC-130a.2	CAM	m <sup>3</sup> malls
	303-4	Water discharge.		MEX	m <sup>3</sup> reused water
	303-5	Water consumption.	CG-EC-130a.2	MX	m <sup>3</sup> total withdrawal
	303-5	Water consumption.	CG-EC-130a.2	MX	m <sup>3</sup> municipal supply



	303-5	Water consumption.	CG-EC-130a.2	MX	m <sup>3</sup> well supply
	303-5	Water consumption.	CG-EC-130a.2	MX	m <sup>3</sup> piping supply
	303-5	Water consumption.	CG-EC-130a.2	MX	m <sup>3</sup> water withdrawal from areas with water stress
	303-5	Water consumption.	CG-EC-130a.2	CAM	m <sup>3</sup> total withdrawal
	303-5	Water consumption.	CG-EC-130a.2	CAM	m <sup>3</sup> municipal supply
	303-5	Water consumption.	CG-EC-130a.2	CAM	m <sup>3</sup> well supply
	303-5	Water consumption.	CG-EC-130a.2	CAM	m <sup>3</sup> piping supply
	303-5	Water consumption.	CG-EC-130a.2	CAM	m <sup>3</sup> malls
<b>GRI 304: Biodiversity 2016</b>	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		MX	
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		CAM	
	304-2	Significant impacts of activities, products, and services on biodiversity.		MX	
	304-2	Significant impacts of activities, products, and services on biodiversity.		CAM	
<b>GRI 305: Emissions 2016</b>	103-2	Management approach.		MX	Total investment in the environmental field (millions of pesos)



	103-2	Management approach.		CAM	Total investment in the environmental field (millions of pesos)
	103-2	Management approach.		MX	Investments on equipment, technologies and programs for: Energy Consumption (percentage)
	103-2	Management approach.		CAM	Investments on equipment, technologies and programs for: Energy Consumption (percentage)
	103-2	Management approach.		MX	Investments on equipment, technologies and programs for: Renewable energies (percentage)
	103-2	Management approach.		CAM	Investments on equipment, technologies and programs for: Renewable energies (percentage)
	103-2	Management approach.		MX	Savings obtained for the implementation of sustainable initiatives (millions of pesos)
	103-2	Management approach.		CAM	Savings obtained for the implementation of sustainable initiatives (millions of pesos)
	305-1	Direct (Scope 1) GHG emissions.	FB-FR-110b.1 FB-FR-110b.3	MX	t CO <sub>2</sub> e
	305-1	Direct (Scope 1) GHG emissions.	FB-FR-110b.1 FB-FR-110b.3	CAM	t CO <sub>2</sub> e
	305-2	Energy indirect (Scope 2) GHG emissions.		MX	t CO <sub>2</sub> e
	305-2	Energy indirect (Scope 2) GHG emissions.		CAM	t CO <sub>2</sub> e
	305-3	Other indirect (Scope 3) GHG emissions.	FB-FR-110a.1 CG-EC-410a.1	MX	t CO <sub>2</sub> e



	305-3	Other indirect (Scope 3) GHG emissions.	FB-FR-110a.1 CG-EC-410a.1	CAM	t CO <sub>2</sub> e
	305-4	GHG emissions intensity.		MX	t CO <sub>2</sub> e/m <sup>2</sup>
	305-4	GHG emissions intensity.		CAM	t CO <sub>2</sub> e/m <sup>2</sup>
	305-5	Reduction of GHG emissions.	CG-EC-410a.2	MX	Kilometers not traveled
	305-5	Reduction of GHG emissions.	CG-EC-410a.2	CAM	Kilometers not traveled
	305-5	Reduction of GHG emissions.	CG-EC-410a.2	MX	CO <sub>2</sub> e emissions avoided from logistic initiatives
		Reduction of GHG emissions.			
	305-5	Reduction of GHG emissions.	CG-EC-410a.2	CAM	CO <sub>2</sub> e emissions avoided from logistic initiatives
		Reduction of GHG emissions.			
	305-5	Reduction of GHG emissions.	CG-EC-410a.2	MX	Liters of saved fuel
	305-5	Reduction of GHG emissions.	CG-EC-410a.2	CAM	Liters of saved fuel
305-6	Emissions of ozone-depleting substances (ODS).	FB-FR-110b.2	MX	t CO <sub>2</sub> e from R-22 consumption	
305-6	Emissions of ozone-depleting substances (ODS).	FB-FR-110b.2	CAM	t CO <sub>2</sub> e from R-22 consumption	
<b>GRI 306: Waste 2020</b>	103-2	Progress towards Zero Waste 2025 goal.		MX	Percentage of progress
	103-2	Progress to goal Zero Waste 2025 goal.		CAM	Percentage of progress
	306-3	Waste Generated.		MX	Total waste generated in Tons
	306-3	Waste Generated.		CAM	Total waste generated in Tons
	306-4	Waste diverted from disposal.		MX	Total non-hazardous waste in Tons
	306-4	Waste diverted from disposal.		CAM	Total non-hazardous waste in Tons
	306-4	Waste diverted from disposal.		MX	Total recycled waste in Tons
306-4	Waste diverted from disposal.		MX	Total composted waste in Tons	



	306-4	Waste diverted from disposal.		MX	Total reused waste in Tons
	306-5	Waste directed to disposal.		MX	Total hazardous waste in Tons
	306-5	Waste directed to disposal.		CAM	Total hazardous waste in Tons
	306-5	Waste directed to disposal.		MX	Total waste sent to landfill in Tons
	306-5	Waste directed to disposal.		CAM	Total waste sent to landfill in Tons
	103-2	Goal progress: Reduce 50% of Food waste.	FB-FR-150a.1	MX	Percentage of progress
<b>GRI 307: Environmental compliance 2016</b>	307-1	Non-compliance with environmental laws and regulations.		MX/CAM	Fines and complaints
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria.		MX	Percentage of progress in paper, pulp and timber
	308-1	New suppliers that were screened using environmental criteria.		CAM	Percentage of progress in paper, pulp and timber
	308-1	New suppliers that were screened using environmental criteria.		MX	Percentage of progress in palm oil
	308-1	New suppliers that were screened using environmental criteria.		CAM	Percentage of progress in palm oil
	308-1	New suppliers that were screened using environmental criteria.		MX	Percentage of progress in sustainable fishing products - Fish and seafood
	308-1	New suppliers that were screened using environmental criteria.		MX	Percentage of progress in sustainable fishing products - Canned Tuna
	308-2a	Negative environmental impacts in the supply chain and actions taken.		MX	Audit results by region - Green
	308-2a	Negative environmental impacts in the supply chain and actions taken.		CAM	Audit results by region - Green
	308-2a	Negative environmental impacts in the supply chain and actions taken.		MX	Audit results by region - Yellow



	308-2a	Negative environmental impacts in the supply chain and actions taken.		CAM	Audit results by region - Yellow
	308-2a	Negative environmental impacts in the supply chain and actions taken.		MX	Audit results by region - Orange
	308-2a	Negative environmental impacts in the supply chain and actions taken.		CAM	Audit results by region - Orange
	308-2a	Negative environmental impacts in the supply chain and actions taken.		MX	Audit results by region- Red
	308-2a	Negative environmental impacts in the supply chain and actions taken.		CAM	Audit results by region- Red
	308-2a	Negative environmental impacts in the supply chain and actions taken.		MX	Audit results by region- Other
	308-2a	Negative environmental impacts in the supply chain and actions taken.		CAM	Audit results by region- Other
	308-2a	Negative environmental impacts in the supply chain and actions taken.		MX/CAM	Suppliers with active contracts and facilities associated with markets of Mexico and Central America.
<b>GRI 401: Employment 2016</b>	103-2	Management approach.		MX	Total lawsuits filed
	103-2	Management approach.		CAM	Total lawsuits filed
	103-2	Management approach.		MX	Total supplier lawsuits filed
	103-2	Management approach.		CAM	Total supplier lawsuits filed
	103-2	Management approach.		MX	Total associate lawsuits filed
	103-2	Management approach.		CAM	Total associate lawsuits filed
	103-2	Management approach.		MX	Lawsuits concluded from current year and previous years
	103-2	Management approach.		CAM	Lawsuits concluded from current year and previous years



	103-2	Management approach.		MX	Supplier lawsuits concluded from current year and previous years
	103-2	Management approach.		CAM	Supplier lawsuits concluded from current year and previous years
	103-2	Management approach.		MX	Associate lawsuits concluded from current year and previous years
	103-2	Management approach.		CAM	Associate lawsuits concluded from current year and previous years
	401-1	New employee hires and employee turnover.		MX	Total of new associates
	401-1	New employee hires and employee turnover.		MX	Total of new women associates
	401-1	New employee hires and employee turnover.		MX	Total of new men associates
	401-1	New employee hires and employee turnover.		CAM	Total of new associates
	401-1	New employee hires and employee turnover.		CAM	Total of new women associates
	401-1	New employee hires and employee turnover.		CAM	Total of new men associates
	401-1	New employee hires and employee turnover.		MX	Total terminations
	401-1	New employee hires and employee turnover.		MX	Total terminations of women associates
	401-1	New employee hires and employee turnover.		MX	Total terminations of men associates
	401-1	New employee hires and employee turnover.		CAM	Total terminations



	401-1	New employee hires and employee turnover.		CAM	Total terminations of women associates
	401-1	New employee hires and employee turnover.		CAM	Total terminations of men associates
	401-1	New employee hires and employee turnover.	CG-EC-330a.2 CG-MR-310a.2	MX	Associate turnover rate
	401-1	New employee hires and employee turnover.	CG-EC-330a.2 CG-MR-310a.2	CAM	Associate turnover rate
		Associate engagement in percentage.	CG-EC-330a.1	MX/CAM	Engagement Index
		Associate engagement in percentage.	CG-EC-330a.1	MX	Engagement Index
		Associate engagement in percentage.	CG-EC-330a.1	CAM	Engagement Index
		Associate engagement in percentage.	CG-EC-330a.1	MX/CAM	Participation Index
		Associate engagement in percentage.	CG-EC-330a.1	MX	Participation Index
		Associate engagement in percentage.	CG-EC-330a.1	CAM	Participation Index
<b>GRI 403: Occupational health and safety 2018</b>	403-2	Hazard identification, risk assessment, and incident investigation.		MX/CAM	Qualitative statement
	403-5	Worker training on occupational health and safety.		MX	Number of health and safety trainings
	403-5	Worker training on occupational health and safety.		CAM	Number of health and safety trainings
	403-5	Worker training on occupational health and safety.		MX	Number of associates trained on health and safety



	403-5	Worker training on occupational health and safety.		CAM	Number of associates trained on health and safety
	403-6	Promotion of worker health.		MX/CAM	Qualitative statement
	403-9	Work-related injuries.		MX	Accident rate
	403-9	Work-related injuries.		CAM	Accident rate
	403-9	Work-related injuries.		MX	Days of sick leave
	403-9	Work-related injuries.		CAM	Days of sick leave
	403-9	Work-related injuries.		MX	Work-related accidents
	403-9	Work-related injuries.		CAM	Work-related accidents
	403-9	Work-related injuries.		MX	Total of client accidents
	403-9	Work-related injuries.		CAM	Total of client accidents
	403-9	Work-related injuries.		MX	Percentage of reduction in associate accidents
<b>GRI 404: Training and education 2016</b>	103-2	Management approach.		MX/CAM	Total investment in training
	103-2	Management approach.		MX	Total investment in training
	103-2	Management approach.		CAM	Total investment in training
	404-1	Average hours of training per year per employee.		MX/CAM	Promoted associates
	404-1	Average hours of training per year per employee.		MX/CAM	Millions of man hours in training
	404-1	Average hours of training per year per employee.		MX	Millions of man hours in training
	404-1	Average hours of training per year per employee.		CAM	Millions of man hours in training
404-1	Average hours of training per year per employee.		MX	Average training hours per associate	



	404-1	Average hours of training per year per employee.		CAM	Average training hours per associate
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1	Diversity of governance bodies and employees.	CG-EC-330a.3 CG-MR-330a.1	MX	Associates with disabilities
	405-1	Diversity of governance bodies and employees.	CG-EC-330a.3 CG-MR-330a.1	CAM	Associates with disabilities
	405-1	Diversity of governance bodies and employees.	CG-EC-330a.3 CG-MR-330a.1	MX/CAM	Associates with disabilities
	405-1	Diversity of governance bodies and employees.	CG-EC-330a.3 CG-MR-330a.1	MX	Percentage of women associates with disabilities, vs total of associates with disabilities
	405-1	Diversity of governance bodies and employees.	CG-EC-330a.3 CG-MR-330a.1	MX	Percentage of men associates with disabilities, vs total of associates with disabilities
	405-1	Diversity of governance bodies and employees.	CG-EC-330a.3 CG-MR-330a.1	CAM	Percentage of women associates with disabilities, vs total of associates with disabilities
	405-1	Diversity of governance bodies and employees.	CG-EC-330a.3 CG-MR-330a.1	CAM	Percentage of men associates with disabilities, vs total of associates with disabilities
<b>GRI 408: Child Labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor.		MX/CAM	Reference to responsible value chain disclosures (308-2)
<b>GRI 409: Forced or compulsory labor 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.		MX/CAM	Reference to responsible value chain disclosures (308-2)



<b>GRI 412: Human rights assessment 2016</b>	412-1	Operations that have been subject to human rights reviews or impact assessments.		MX/CAM	
	412-2	Employee training on human rights policies or procedures.		MX	Percentage of operations associates trained in the Code of Conduct
	412-2	Employee training on human rights policies or procedures.		CAM	Percentage of operations associates trained in the Code of Conduct
	412-2	Employee training on human rights policies or procedures.		MX	Percentage of staff associates trained in the Code of Conduct
	412-2	Employee training on human rights policies or procedures.		CAM	Percentage of staff associates trained in the Code of Conduct
<b>GRI 413: Local communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs.			
	413-1	PRODUCTIVE CAPABILITES. Number of benefited producers.		MX	Number
	413-1	PRODUCTIVE CAPABILITES. Number of benefited producers.		CAM	Number
	413-1	PRODUCTIVE CAPABILITES. Number and percentage of benefited women producers.		CAM	Number and percentage
	413-1	PRODUCTIVE CAPABILITES. Number of indirect beneficiaries.		CAM	Number
	413-1	PRODUCTIVE CAPABILITES. Percentage of average increase in income of agricultural producers.		MX	Percentage
	413-1	PRODUCTIVE CAPABILITES. Manufacture purchase.		CAM	USD



	413-1	PRODUCTIVE CAPABILITES. Agricultural purchase.		MX	Millions of pesos
	413-1	PRODUCTIVE CAPABILITES. Agricultural purchase.		CAM	USD
	413-1	PRODUCTIVE CAPABILITES. Total and percentage of women producers.		MX	Number and percentage
	413-1	FOOD SAFETY. Total of direct beneficiaries.		CAM	Number
	413-1	PRODUCTIVE CAPABILITES. Tons of channeled food.		MX	Tons
	413-1	PRODUCTIVE CAPABILITES. Tons of channeled food.		CAM	Tons
	413-1	DISASTER RESPONSE. Tons of support channeled for victims of disasters.		MX	Tons
	413-1	DISASTER RESPONSE. Tons of support channeled for victims of disasters.		CAM	Tons
	413-1	DISASTER RESPONSE. b) Number of disasters supported and a brief description (location, date, type of disaster).		MX	Number and description
	413-1	DISASTER RESPONSE. b) Number of disasters supported and a brief description (location, date, type of disaster).		CAM	Number and description



<b>GRI 414: Supplier social assessment 2016</b>	414-1	New suppliers that were screened using social criteria.		MX/CAM	
	414-2	Negative social impacts in the supply chain and actions taken.		MX/CAM	
<b>GRI 416: Customer health and safety 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Number of MEDIMART plants
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Ongoing MEDIMART audits
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Not approved MEDIMART audits, pending reauditing
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Pending MEDIMART audits
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Exempt MEDIMART suppliers
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	MEDIMART suppliers who import their products (they are not audited, we have CBPF)
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Total internal audits in-store - Pharmacies
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Total external audits - Pharmacies



	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Number of food products suppliers from Our Brands
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Number of Our Brands food plants
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Number and description of Good Practices Global Markets
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Percentage of Our Brands food plants certified
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Number of audits to Dry SMO Distribution Centers
	416-1	Assessment of the health and safety impacts of product and service categories.		CAM	Number of audits to Dry SMO Distribution Centers
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	FOOD SAFETY. Number of audits to Our Brands food maquiladoras
	416-1	Assessment of the health and safety impacts of product and service categories.		CAM	FOOD SAFETY. Number of audits to Our Brands food maquiladoras
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Percentage of Our Brands suppliers certified in Global Food Safety Initiative (GFSI) program



	416-1	Assessment of the health and safety impacts of product and service categories.		CAM	Percentage of Our Brands suppliers certified in Global Food Safety Initiative (GFSI) program
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	Percentage of certified, approved, unapproved and audit-pending plants in Global Food Safety Initiative (GFSI) program
	416-1	Assessment of the health and safety impacts of product and service categories.		CAM	Percentage of certified, approved, unapproved and audit-pending plants in Global Food Safety Initiative (GFSI) program
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	TEXTILES AND FOOTWEAR. Number of national supplier inspections at Distribution Centers
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	TEXTILES AND FOOTWEAR. Number of import supplier textile and footwear inspections. Direct
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	TEXTILES AND FOOTWEAR. Number of import supplier textile and footwear inspections. Global Sourcing
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	FOOTWEAR MAQUILA AUDITS. Number of suppliers audited
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	FOOTWEAR MAQUILA AUDITS. Number of plants audited
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	FOOTWEAR MAQUILA AUDITS. Total of audits



	416-1	Assessment of the health and safety impacts of product and service categories.		MX	FOOTWEAR MAQUILA AUDITS. Number of not approved audits
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	TEXTILE MAQUILA AUDITS. Number of suppliers audited.
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	TEXTILE MAQUILA AUDITS. Number of plants audited
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	TEXTILE MAQUILA AUDITS. Total of audits
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	TEXTILE MAQUILA AUDITS. Number of not approved audits
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	GENERAL MERCHANDISE MAQUILA AUDITS. Number of suppliers audited
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	GENERAL MERCHANDISE MAQUILA AUDITS. Number of plants audited
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	GENERAL MERCHANDISE MAQUILA AUDITS. Total of audits
	416-1	Assessment of the health and safety impacts of product and service categories.		MX	GENERAL MERCHANDISE MAQUILA AUDITS. Number of not approved audits



	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Total non-compliance incidents concerning the health and safety impacts of products and services
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Complaints filed to the consumer protection Institution
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Complaints filed to the consumer protection Institution
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Complaints completed with the consumer protection Institution
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Complaints completed with the consumer protection Institution
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Complaints pending to be solved with the consumer protection Institution
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Complaints pending to be solved with the consumer protection Institution
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Product recalls
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Product recalls



	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Voluntary product recalls by supplier
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Voluntary product recalls by supplier
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Corporate recalls
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Corporate recalls
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Recalls mandated by the authority
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Recalls mandated by the authority
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	Measures adopted in response to recalls
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	Measures adopted in response to recalls
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		MX	HEALTH AND SAFETY INCIDENTS / Food Safety. Total of non-compliance regarding impacts to health and safety in products and services



	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		CAM	HEALTH AND SAFETY INCIDENTS / Food Safety. Total of non-compliance regarding impacts to health and safety in products and services
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	FB-FR-230a.1 CG-MR-230a.2 CG-EC-230a.2	MX	Description
		Discussion of strategies to reduce the environmental impact of packaging.	FB-FR-430a.4 CG-MR-410a.3	MX/CAM	Description
		Discussion of process to assess and manage risks and/or hazards associated with chemicals in products.	CG-MR-410a.2	MX/CAM	Description



**Materiality Glossary**

Pillar	Subject	Description
<b>Customers</b>	Food Safety	Offering safe and top-quality food products.
	Product prices and availability	Have the proper supply, low prices, and availability of products our customers want.
	Responsible marketing and labeling	Clear and transparent communication on all the products we sell (correct pricing, labeling, and clearly stated promotions).
	Customer/member satisfaction and experience	Offering a good and speedy shopping experience.
	Healthy products	Offering healthy and nutritious products, reduced in sodium, fats, and sugar.
<b>Governance</b>	Risk management in operations and in supply chain	Conduct proper risk management in operations and supply chain, allowing for identification of primary risks for the company, and prioritizing them.
	Corporate Governance	A robust and diverse Board of Directors, which makes value-generating decisions for all company stakeholders.
	Human Rights	Respecting the human rights of all our employees, suppliers, customers, and the community members where we operate.
	Anticorruption	Anticorruption policies and procedures that express our commitment to having the highest standards of integrity.
	Ethical behaviour	Codes of Conduct that guarantee ethical behavior and generate trust among our customers, suppliers, and in our company.
	Information security	An Information Security program that provides comprehensive and profitable risk-based security services.
	Privacy	Policies, procedures and systems that guarantee the privacy and protection of personal data of our associates, customers, members, and third parties.
<b>Associates</b>	Talent attraction, development, and retention	Strategies and programs for talent attraction and development and to guarantee retention, ensuring a good working environment and open dialog.
	Diversity and Inclusion	Generating the proper conditions that ensure a diverse and inclusive company (Gender equality, the disabled, and LGBT+) .
	Work-life balance	Granting benefits and conditions that ensure a good work-life balance for our associates.
	Equal pay	Guarantee that there is no wage gap by gender, age, religion, sexual preference or political ideology.
	Occupational health and safety	Guarantee safe and healthy working conditions for our associates.
	Freedom of association	Recognize and respect the right to associate of our associates.
<b>Supply Chain</b>	Sustainable sourcing and packaging	Help to conserve biodiversity by sustainable sourcing (products and packaging).
	Supply chain evaluation	Auditing of our suppliers to ensure their compliance with the Law and with human rights in their plants.
	Inclusive supplier development	Developing small farmers, women, and SMEs (small and medium-sized suppliers) through training, consultancy, and mentoring to improve their access to markets.
	Animal welfare	Ensure the supply chain adopts responsible production, for animals.
<b>Environment</b>	Emissions and climate change	Reducing our emissions to mitigate impact on climate change.
	Waste management	Reduce, reuse, and recycle all waste from our operations and prevent food waste.
	Energy	Obtain energy from renewable sources (solar, wind, etc.) and maintain efficient consumption in our operations.
	Water	Efficient water use in our operations, and also recovering and recycling water through water treatment plants.
<b>Community</b>	Investment in local communities	Conducting investments in local communities (infrastructure, local employment, etc.).
	Fighting hunger	Ensure food security, donating to food banks any items no longer apt for sale, and supporting projects aimed at fighting hunger.
	Supporting natural disasters	Rendering support during natural disasters by making in-kind and monetary donations.
	Volunteerism	Developing volunteerism programs that help to improve communities.



# GLOSSARY

**A** **ADR**  
American Depositary Receipt

**ANTAD**  
Mexican Retail Association

**B** **BAE**  
Bodega Aurrera Express

**Bodegas & discount stores**  
Austere stores offering basic merchandise, food and household items at the best prices

**BPAyD**  
Storage and distribution best practices

**C** **CAM**  
Central America

**CARHCO**  
Central American Retail Holding Company

**CDP**  
Carbon Disclosure Project

**Cetes**  
Mexican Federal Treasury Certificates

**CG-MR**  
Multiline and Specialty Retailers Distributors

**Clubs**  
Membership warehouse clubs focused on businesses and consumers who seeks the best possible prices

**CO2eq**  
Carbon dioxide equivalent

**Cofepris**  
Federal Commission for the Protection Against Health Risks

**COVID-19**  
Severe respiratory syndrome caused by a coronavirus

**Crowdsourcing**  
External collaboration for picking and delivery services

**D** **Despensa a tu casa**  
Bodega website for home delivery services

**Distribution center/DC**  
Location for the receipt of goods from supplies and store distribution

**E** **EBITDA**  
Earnings Before Interest, Taxes, Depreciation and Amortization

**ESG**  
Environmental, Social and Corporate Governance

**Every Day Low Prices/Every Day Low Costs**  
Permanent philosophy of Walmart de México y Centroamérica, in order to contribute towards improving the quality of life for the region

**F** **FB-FR**  
Food Retailers and Distributors

**Flex Pos**  
Our system to manage the Point of Sale

**Fulfillment Center**  
Smaller logistics facility where customer orders through digital platforms are prepared and shipped

**G** **GAP**  
Good Aquaculture Practices

**GDP**  
Gross Domestic Product

**GFSI**  
Global Food Safety Initiative

**GHG**  
Greenhouse Gases

**GJ**  
Gigajoule

**GMV**  
Gross Merchandise Value

**GRI**  
Global Reporting Initiative

**I** **IFRS**  
International Financial Reporting Standards

**ISR**  
Income Tax

**L** **LED**  
Light-emitting diode

**LGBT+**  
Lesbian, gay, bisexual and transgender

**M** **MSE**  
Mexican Stock Exchange

**Machine learning**  
Artificial Intelligence discipline that, through algorithms, gives computers the ability to identify patterns in massive data to make predictions

**N** **Net Sales**  
Income from merchandise sales in our units

**NGO**  
Non-governmental organization

**NOM**  
Mexican Official Standards

**NPS**  
Net Promoter Score, indicator to measure customers' loyalty

**P** **Private Brands**  
Private label products of Walmart de México y Centroamérica

**PAI**  
Walmart Comprehensive Assistance Program

**Pandemic**  
An epidemic disease that spreads to many countries or that affects almost all individuals in a region

**Picker**  
Associate responsible to collect requested products by the customers

**PM**  
Particulate matter

**POP**  
Persistent Organic Pollutants

**Powered by Walmart**  
Powered or Influenced by Walmart

**PRODI**  
Acronym to describe the five promises that make up and represent all the benefits of working at Walmart

**Profeco**  
Consumer Protection Agency

**R** **Risk groups**  
A group or population at risk is made up of those people who, due to certain biological, physical or social characteristics, are more likely to contract certain diseases

**Royalties**  
Revenue share or fixed amount of money paid to a copyright owner for approval to use it

**S** **Sales floor**  
Surface area set aside for merchandise retail

**SASB**  
Sustainability Accounting Standards Board

**SDG**  
Sustainable Development Goals

**Sellers**  
External sellers within the marketplace

**Shared Value**  
For Walmart de México y Centroamérica, Shared Value implies the creation of economic, environmental and social value for all our stakeholders

**SINGREM**  
National System Management of Containers and MedicineWaste

**SME**  
Small and medium-sized enterprises

**Sox**  
Sulphur oxides

**SKU**  
Stock Keeping Unit

**SSA**  
Secretary of Health

**Supermarkets**  
Self-service stores located in residential areas

**T** **TCFD**  
Task Force on Climate-related Financial Disclosures

**TECHO**  
Organization seeking to build a fair, integrated and poverty-free society

**The Alliance**  
Workers Safety Alliance in Bangladesh

**Total revenues**  
Net sales plus other income

**U** **UNGC**  
United Nations Global Compact

**V** **VOC**  
Volatile Organic Compounds

**W** **Walmart**  
Self-service stores providing the widest assortment of goods from groceries and perishables, to apparel and general merchandise

**Walmex**  
Ticker symbol for Wal-Mart de México S.A.B. de C.V.



# INVESTOR INFORMATION

GRI 102-52

## Listing

Mexican Stock Exchange

## Investor Relations

Pilar de la Garza Fernández del Valle  
pilar.de@walmart.com  
+52 55 5283 0289

## Corporate Affairs Director

Claudia de la Vega Martínez  
claudia.delavega@walmart.com  
+52 55 5283 0235

## ESG

Viridiana Hernández Torija  
m.v.hernandez@walmart.com  
+52 55 52 83 01 00 ext. 18305

## ADR Sponsored Program

Correspondencia de accionistas:  
P.O. Box 20170  
College Station, Texas 77842-3170

## Overnight correspondence

BNY Mellon Shareowner Services  
462 South 4th Street, Suite 1600  
Louisville, KY 40202  
Toll free number for U.S. calls:  
+1 888 269 2377  
International calls:  
+1 201 680 6825



Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA



The report may contain certain references to the future performance of Walmart de México y Centroamérica and thus should be considered estimates made in good faith by the company. Said references only reflect management’s expectations and are based on assumptions and information available at that time. As such, everything shall always be dependent on future events, risks and matters that cannot be analyzed with precision and which could affect company results.

www.mybnymdr.com  
shrelations@cpushareownerservices.com

**Ticker Symbol Bolsa Mexicana de Valores**  
WALMEX\*

**Programa Patrocinado de ADR**  
WMMVY

**International OTCQX**  
Market TIER  
WMMVY

**Bloomberg**  
WALMEX\* MM  
WMMVY US

**Reuters**  
WALMEX.Mx  
WMMVY.Pk

## Headquarters

Blvd. M. Ávila Camacho 647  
Colonia Periodista  
Alcaldía Miguel Hidalgo  
11220 Ciudad de México  
walmartmexico.com  
walmex.mx

@WalmartdeMexicoyCentroamerica

@WalmartMXyCAM

WalmartdeMéxicoyCentroamérica

@walmartmexicoycam

Walmart de México y Centroamérica