



SUSTAINABILITY

GRI 203-1

CUSTOMER FIRST

we work for a
better planet for
future generations

117
million
pesos in savings

+3.968
billion
pesos invested in
sustainable initiatives



SUSTAINABILITY

Our ambition to become a Regenerative Company means placing nature at the center of our business decisions.

We seek to generate a positive impact to contribute to the stability of ecosystems, the continuity of biodiversity and collective well-being, which is why we continue to work on our three priorities:



Climate Change
Reducing greenhouse gas (GHG) emissions in our operation and that of our supply chain.



Circular Economy.
Reducing the use of natural resources and waste generation, avoiding sending waste to landfills and reintroducing materials to new value cycles.



Natural Capital
Through sustainable sourcing and the protection of natural resources.



SUSTAINABILITY



GOALS AND PROGRESS

CLIMATE CHANGE



Zero emissions by 2040

14.1%
increase in Scope 1 and 2 emissions

19.4% increase vs. 2022 in Mexico
21.2% reduction in Central America



Supply our stores with 100% renewable energy by 2035

45.3%
of total energy consumption comes from renewable sources

51.4% in Mexico
4.2% in Central America



Gigaton Project: reduce or avoid greenhouse gas emissions equivalent to 1 gigaton in our global supply chain by 2030

994
participating suppliers

903 in Mexico
323 in Central America

Global goal achieved in 2023

CIRCULAR ECONOMY



Zero Waste to landfill by 2025

4,529,241m³ of landfill space freed up
3,970,874m³ in Mexico
558,367m³ in Central America

78.5% of waste generated is diverted from landfills
81.4% in Mexico
62.9% in Central America

By 2025, all packaging utilized by Private Brands must be recyclable, reusable, or compostable and include 20% post-consumer recycled material

81.0% of our packaging is recyclable in Mexico and **83.1%** in Central America

13.4% of post-consumer material is incorporated into Private Brands' packaging in Mexico and **27.9%** in Central America

By 2025, we will reduce the use of virgin plastic in our operations and Private Brands' products by 3,000 tons compared to 2020 in Mexico

9,379
tons of virgin plastic reduced since 2020 in Mexico



Double the number of recycling centers in Mexico by 2026, compared to those in 2021

34
recycling centers in 11 states

8
recycling centers opened in 2023



Implement refill and bulk sales systems that encourage more responsible and sustainable consumption

All our **Bodega Aurrera** format stores sell dog food in bulk

One pilot at Sam's Club with shampoo refill system, +500 liters sold

NATURAL CAPITAL



By 2025, Private Brands products will use palm oil, paper, pulp and timber 100% from certified sustainable sources

95.6% of the palm oil used to manufacture products for Private Brands is Mass Balance and Segregated certified by RSPO in Mexico, and **100%** in Central America.

97.2% of the total volume of paper, pulp and wood comes from certified sources such as FSC, PEFC and SFI or recycled content in Mexico, **100%** in Central America



Source 100% of fresh and frozen fish, seafood and canned tuna from certified sustainable sources or fishery improvement projects by 2025

76.9% of fresh and frozen fish and seafood is certified as sustainable in Mexico, and **68.0%** in Central America

100% of canned tuna is MSC (Marine Stewardship Council) certified in Mexico

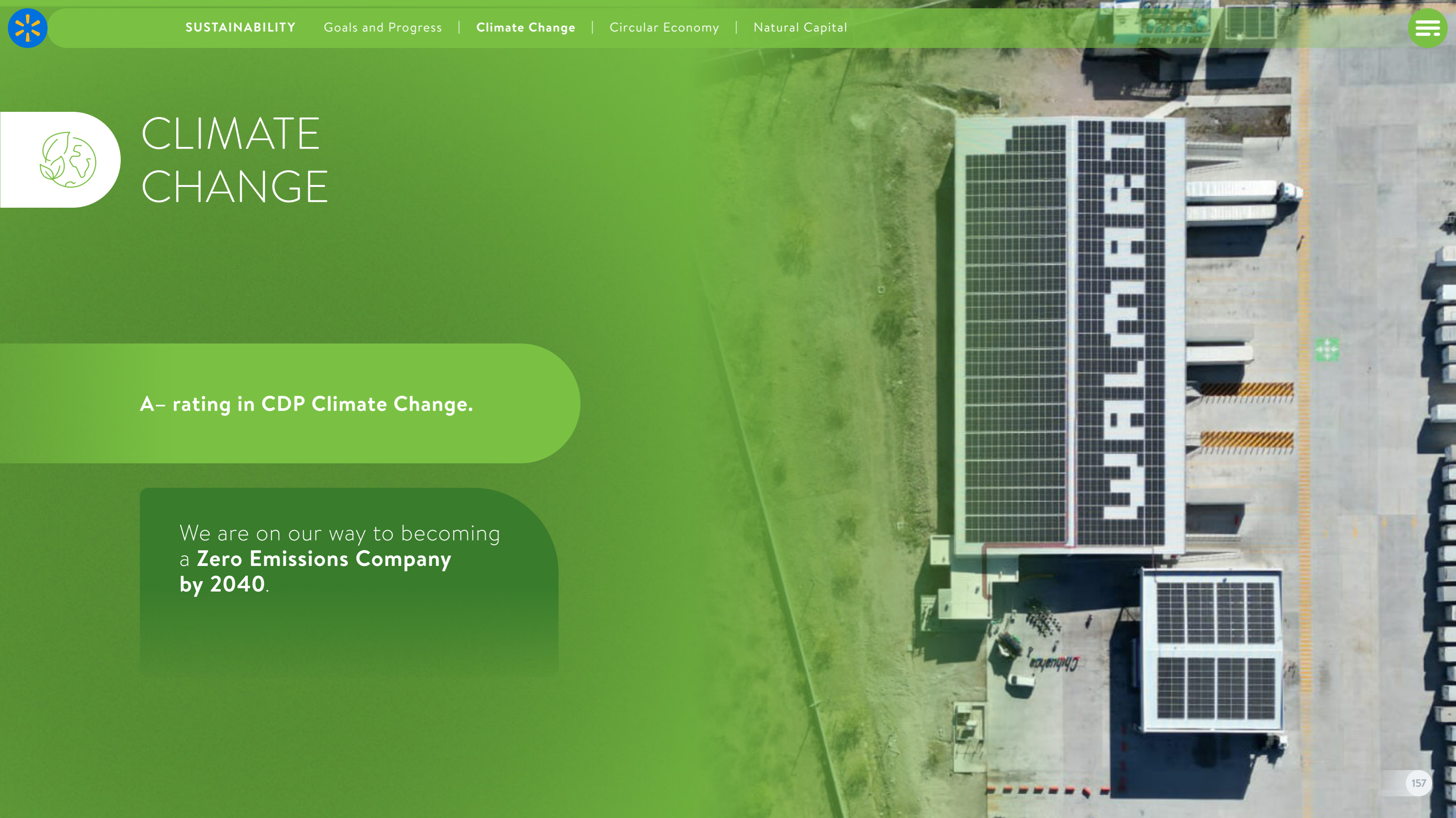




CLIMATE CHANGE

A- rating in CDP Climate Change.

We are on our way to becoming a **Zero Emissions Company** by 2040.





EMISSION SOURCES

GRI 305-1, 305-2, 305-3

We measure our carbon footprint on a regular basis, accounting for scopes 1, 2, and 3 when determining the GHG emissions associated with our supply chain and operations.

We determined our primary sources of emissions under **scope 1** for refrigerant gases and fuels from stationary sources used in utility vehicles, stores and Distribution Centers. In 2023, these emissions amounted to 947,450.4 tons of CO₂ equivalent.

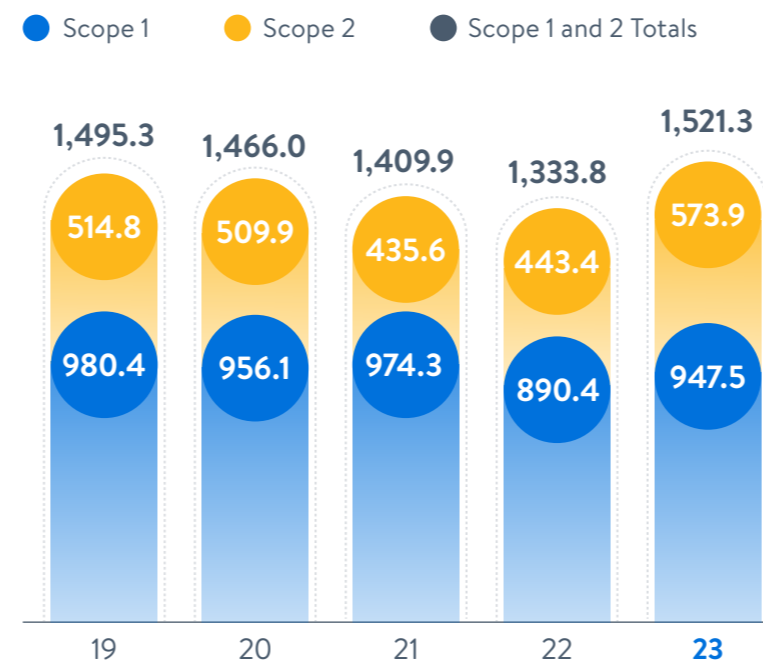
Scope 2 includes electricity from non-renewable sources. Currently, these emissions represent 573,864.6 tons of CO₂ equivalent.

Regarding **scope 3**, we have identified the emissions associated with the mobility of the outsourced transportation fleet that supports our logistics, including business travel and associate transportation. These activities contribute 736,095.0 tons of CO₂ equivalent.

This year we considered our associates' transportation emissions, including all modes of transportation (vs. only benefit cars as we previously did). Criteria related to the acquisition of products for sale, as well as their use by our customers and disposal at the end of their useful life, have not been considered in this calculation. However, we are aware of their importance and are working on a way to incorporate them in the future.

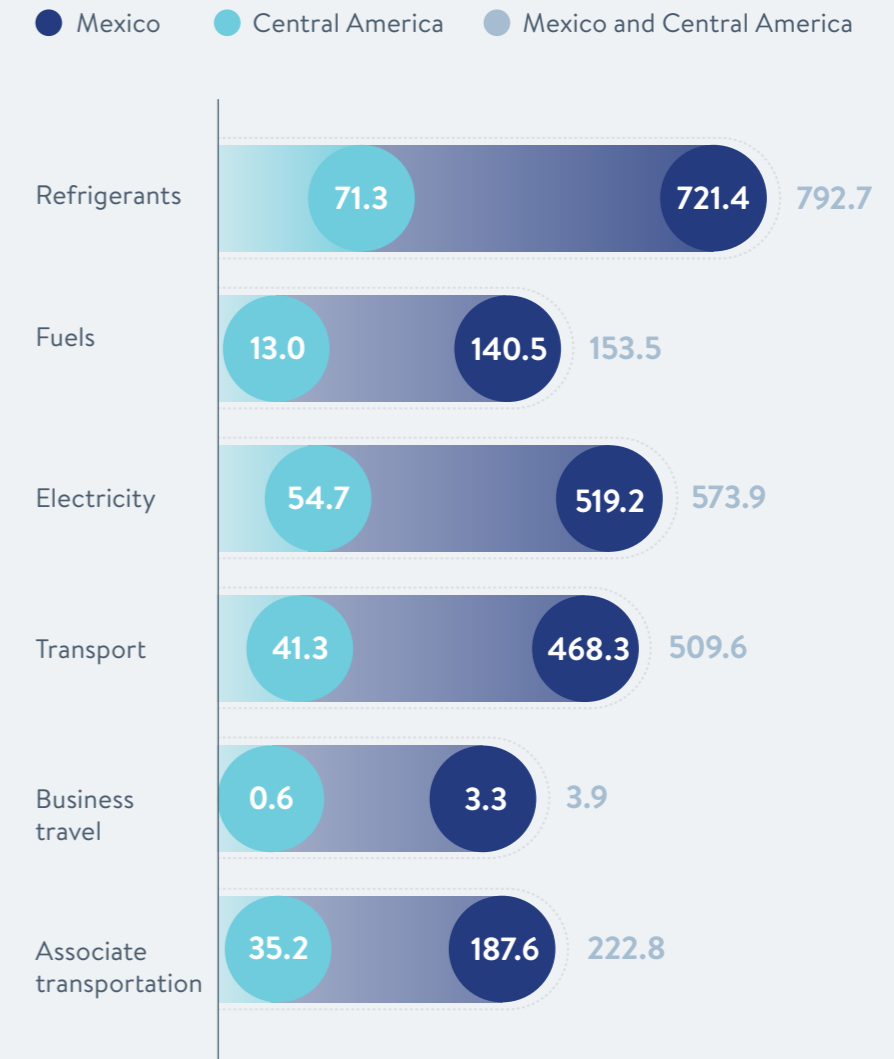
EMISSIONS FROM OUR OPERATIONS BY SCOPE

Mexico and Central America kt CO₂e



DISTRIBUTION OF TOTAL EMISSIONS

kt CO₂e





EMISSION INTENSITY

GRI 305-4, 305-5

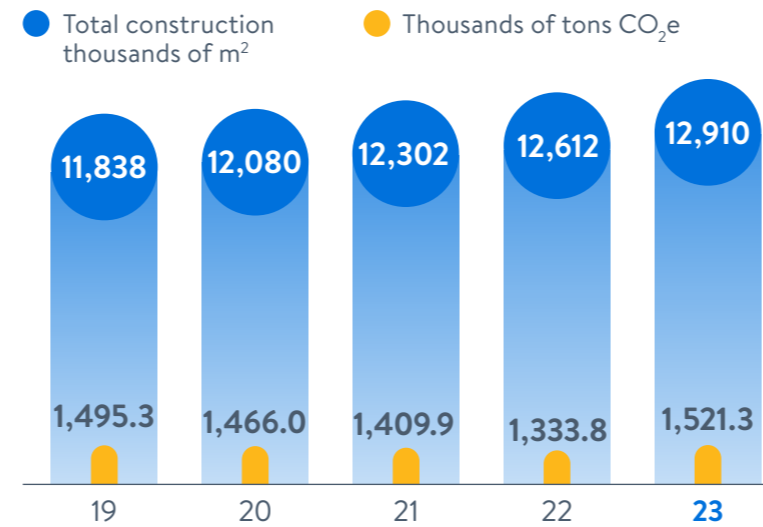
We kept cutting the amount of greenhouse gas emissions from our businesses in Central America in 2023. Since 2019, we have maintained a downward trend, achieving a significant decrease thanks to our initiatives focused on energy efficiency, the transition to refrigerants with lower environmental impact and the progressive adoption of renewable energies. This improvement in our facilities' emissions intensity per square meter illustrates our continued commitment to sustainability and reducing our environmental impact.

Compared to 2022, our operation's emissions intensity increased by 11.4%.

In Mexico it increased 16.3% and in Central America, it decreased by 21.6%.

TOTAL BOX VS. TOTAL EMISSIONS – OUR OPERATIONS

Mexico and Central America

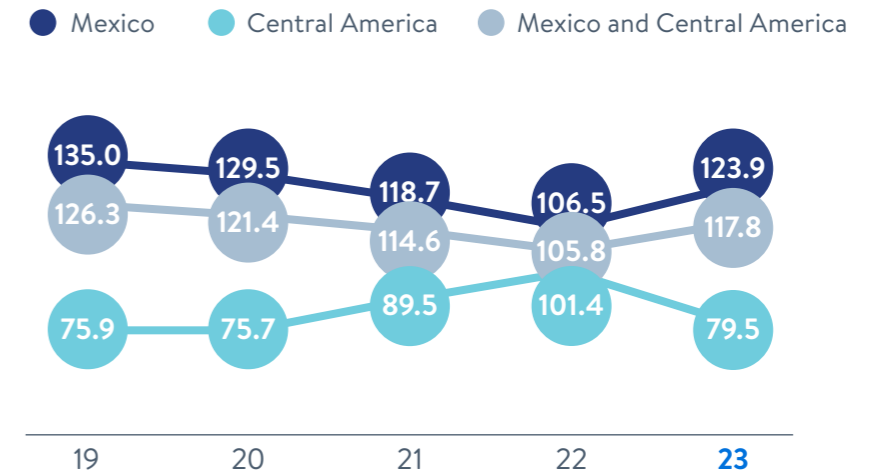


This year, our operation's increased emissions are mostly the result of using electricity and refrigerants. Refrigerant gas price swings have caused variations in refrigeration system recharge in Mexico, resulting in a decrease in 2022 and an increase in 2023. However, the trend over the last four years has been downward, with an average annual decrease of 1.5%.

At the same time, we have seen an increase in total energy consumption in our Mexican operations, driven by higher temperatures nationwide and the opening of new stores. This increase is accentuated by a decrease in the amount of renewable energy available in 2023.

EMISSION INTENSITY

Mexico and Central America tons of CO₂e/m²





SCOPE 1 EMISSIONS

GRI 305-1

We continue to migrate to lower environmental impact refrigerants in our cooling and heating systems. Our commitment is to replace this equipment with more environmentally friendly alternatives, thereby reducing our carbon footprint by 2040.

OUR GOAL

Transition to low environmental impact refrigerants in cooling and heating equipment in our stores, clubs, Distribution Centers and data centers by 2040.



What did we do and what did we accomplish?

We led and implemented actions and solutions that generate benefits for both our operation and the environment. Through our approach, we have continued to significantly reduce our carbon footprint and improve energy efficiency in several areas of our facilities and operations.

Mexico

We inaugurated the first store that operates using A2L cooling technology with an ultra-low Global Warming Potential (GWP) index. This unit, the Bodega Aurrera Express Santa Anita in Puebla, achieves a **97% reduction in emissions** compared to conventional gases.

We continued to advance in our environmental commitment with renovations and openings that incorporate R-448A refrigeration systems, achieving a **reduction of up to 60% in GHG emissions** compared to conventional systems.

In addition, we successfully installed **more than 270 sub-metering systems in our stores**. This initiative gives us the ability to monitor energy and water consumption and waste management in real time.

Central America

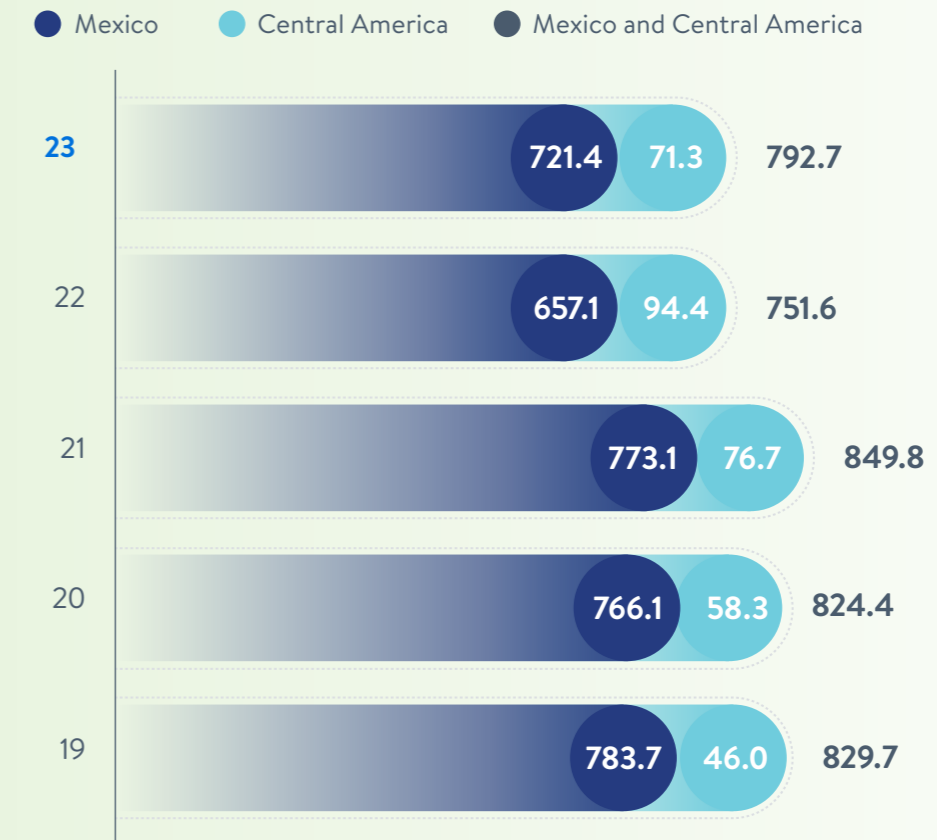
Thanks to the installation of a new leakage control system, we were able to **reduce refrigerant leakage emissions by 30%** over the previous year. We also achieved a **19% decrease in emissions** from fossil fuels compared to the previous year.

What's next?

We will continue to implement new refrigeration technologies with less environmental impact and with our leakage reduction plan.

REFRIGERANT EMISSIONS

Mexico and Central America ktCO₂e





SCOPE 2 EMISSIONS

GRI 302-1, 302-2, 302-3, 302-4, 305-2
SASB CG-MR-130A.1, CG-EC-130A.1, FB-FR-130A.1

Our commitment is to supply 100% of our stores with energy from renewable sources by 2035.



What did we do and what did we accomplish?

We led and implemented actions and solutions that generate benefits for both our operation and the environment. Through our approach, we have continued to significantly reduce our carbon footprint and improve energy efficiency in several areas of our facilities and operations.

Mexico

We kept up our commitment to the using renewable energy, sourcing from six wind farms and two hydroelectric plants in Mexico, while continuing to expand our solar power generation capacity.

We installed solar panels in Distribution Centers, as well as in all our new and renovated stores, giving priority to suitable locations where they could be conveniently mounted. By installing **100 solar roofs**, we generated more than 14 MWh of solar energy, equivalent to supplying more than 6,000 homes and avoiding the emission of more than 9,000 tons of CO₂ per year.

In new stores, we adopted energy efficiency initiatives, such as automated systems, LED lighting and energy-efficient equipment. **We reduced energy consumption by 8% to 10%** by replacing fluorescent lights with LEDs in more than 50 stores.

Central America

We installed 73 solar panel systems in 60 stores and 13 Distribution Centers, generating 16,000 MWh per year, equivalent to 4.16% of the energy demanded by the entire Central American operation.

We installed anti-fog stickers in 350 stores, resulting in a **reduction of 6,000 MWh** in electricity consumption, saving more than 19.4 million pesos and avoiding the emission of 1,200 tons of CO₂.

SUCCESS STORY

Chihuahua Distribution Center

Inaugurated in 2020, our distribution center located in Chihuahua became the first clean energy center in 2023 by harnessing solar radiation. Taking another step forward in our ambition to become a Regenerative Company by 2040, this distribution center has the capacity to generate 700,800 Kw/h per year through its solar panels, thus avoiding 305 tons of CO₂.





What's next?

Mexico

We successfully implemented a 1 MW energy storage system with lithium batteries in our Cuautitlán Distribution Center. The next step will be to power it with solar energy, reinforcing our commitment to renewable sources.

Central America

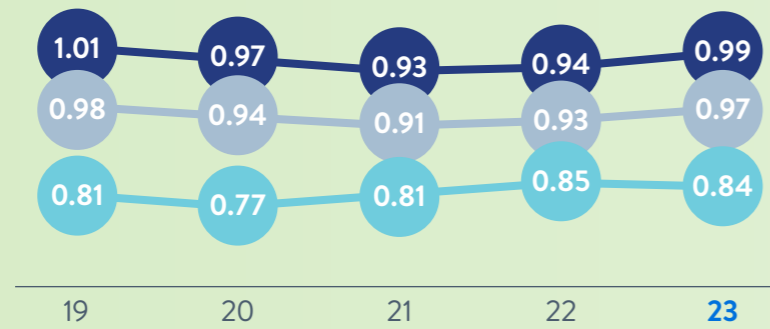
We will carry on with 30 new solar panel installation projects.



INTERNAL ENERGY INTENSITY

Mexico and Central America GJ/m²

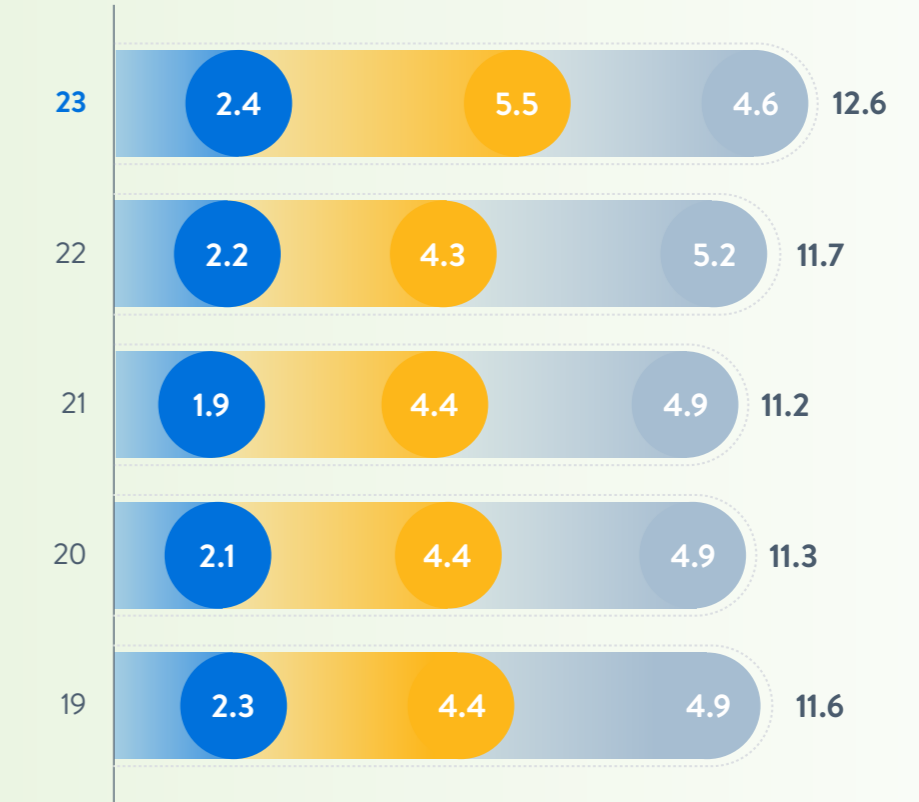
● Mexico ● Central America ● Mexico and Central America



TOTAL ENERGY CONSUMPTION

Mexico and Central America Millions of GJ

● Fuel ● Non-renewable electric power
● Renewable electric power ● Consolidated





SCOPE 3 EMISSIONS

GRI 305-3
SASB CG-EC-410A.1, CG-EC-410A.2,
FB-FR-000.C, FB-FR-000.D

We persist in the pursuit of sustainable mobility, whether through electrification or the adoption of less polluting fuels in our fleet. Our goal is to have cleaner, more efficient transportation by 2040.



OUR GOALS

Electrify our fleet, including long-haul trucks, by 2040.

Work with our suppliers to reduce or avoid GHG emissions equivalent to one gigaton of CO₂e in our global supply chains by 2030.

What did we do and what did we accomplish?

In Mexico and Central America, we maintained our backhaul programs to help reduce empty trips for our fleet and that of our suppliers, as well as reverse logistics initiatives that contribute to the recycling of by-products, **reducing 74,254 tons of CO₂e**.

We are testing natural gas and electric truck freight transportation in Mexico, and we are looking forward to validating the findings.

Through the Gigaton Project, we encouraged our suppliers to report their annual progress in lowering emissions, resulting in a **43.8%** increase in participation. Currently, 994 suppliers are part of the program.

In 2017, we set an ambitious goal through this project: to enable our suppliers to reduce, avoid, or sequester 1 billion metric tons of greenhouse gas emissions from our product value chains by 2030. By taking a range of measures in the areas of energy consumption, packaging, transportation, waste management, and environmental investments, our suppliers have contributed to reaching that target over six years ahead of schedule.

In Central America, we launched the region's first all-electric fleet, consisting of eight vehicles for deliveries to pharmacies from the Distribution Center in Coyol, Costa Rica, **saving 115,200 km of travel and 4 tons of CO₂e emissions**. We also implemented a pallet collection program, which reduced the number of kilometers that suppliers would have to travel to remove them by more than 60%.

What's next?

Mexico

We will evaluate the pilot results and conduct proof-of-concept tests to explore other technologies in the field of sustainable mobility, such as hybrid and gas vehicles. In addition, we will begin the search for suppliers to support these initiatives.

Central America

In Costa Rica, we will start testing electric trucks weighing more than five tons. The first two will be used for dry goods and refrigerated products, respectively.

SUPPLY CHAIN EFFICIENCY

Mexico and Central America

Results 2023	Backhaul	Reverse logistics	Total
Km not traveled	27,145,506	22,786,059	49,931,565
tCO ₂ e avoided	35,066.9	24,787.2	59,854.1
Trips avoided	309,287	410,744	720,031
Liters of fuel saved	11,264,375	8,221,285	19,485,642





Climate risks and opportunities

During 2024, a Climate Risk Analysis will be conducted in collaboration with an external consultant to define the impact of climate change on our company, so as to develop action plans for mitigation, as necessary. The project will be carried out throughout the year for an in-depth assessment of each risk and opportunity according to its velocity and probability. The results of this analysis will be published in the company's 2024 Report.

As reported by our suppliers in CDP:

228 suppliers completed the climate change questionnaire. **64%** conducted a risk analysis and **73%** an opportunity analysis related to climate change.





























61% of our suppliers launched emission reduction initiatives.

73% of suppliers have processes in place to identify climate risks and opportunities.

58% of suppliers have an absolute emission reduction target, an intensity target, or both.

CLIMATE RISKS AND OPPORTUNITIES

GRI 201-2, FB-FR-430A.3, FB-FR-430A.1 CG-MR-410A.1

CLIMATE RISKS IN THE OPERATION	CLIMATE RISKS IN OUR SUPPLY CHAIN	CLIMATE OPPORTUNITIES IN OUR SUPPLY CHAIN
International agreements 	Increase in average temperatures 	More efficient forms of transportation 
Sea level rise 	Increase in raw material costs 	Recycling 
Carbon tax / carbon market 	Transition to technologies with lower environmental impact 	Reducing water use and consumption 
Changing socio-economic conditions due to natural disasters 	Changes in customer behavior 	Access to new markets 
Increased demand for water, reduction of water sources, poorer water quality, etc. 	Concern or negative feedback from stakeholders 	Use of new technologies 
Hurricanes, tropical storms, extreme rainfall and droughts 	Mandatory emissions reporting 	Use of renewable energy sources 
Changes in customer preferences, choice of products with less impact on the environment 	Carbon market taxes 	Change in customer preferences 
Decrease in agricultural productivity and yields 	Changes in precipitation patterns and extreme climate variability 	Use of more efficient production and distribution processes 
	Regulation of existing products and services 	Development and expansion of low-emission goods and services 
	Increase in frequency and intensity of meteorological phenomena 	Development of new products or services through R&D and innovation 



CIRCULAR ECONOMY

Unlike the traditional linear production and consumption model, the circular economy is an approach focused on resource regeneration, minimizing waste and maximizing efficiency at each stage of the product life cycle.

At Walmart de México y Centroamérica we are dedicated to the transition towards a circular economy, based on the following commitments:



ZERO WASTE



FOOD WASTE



SUSTAINABLE PACKAGING



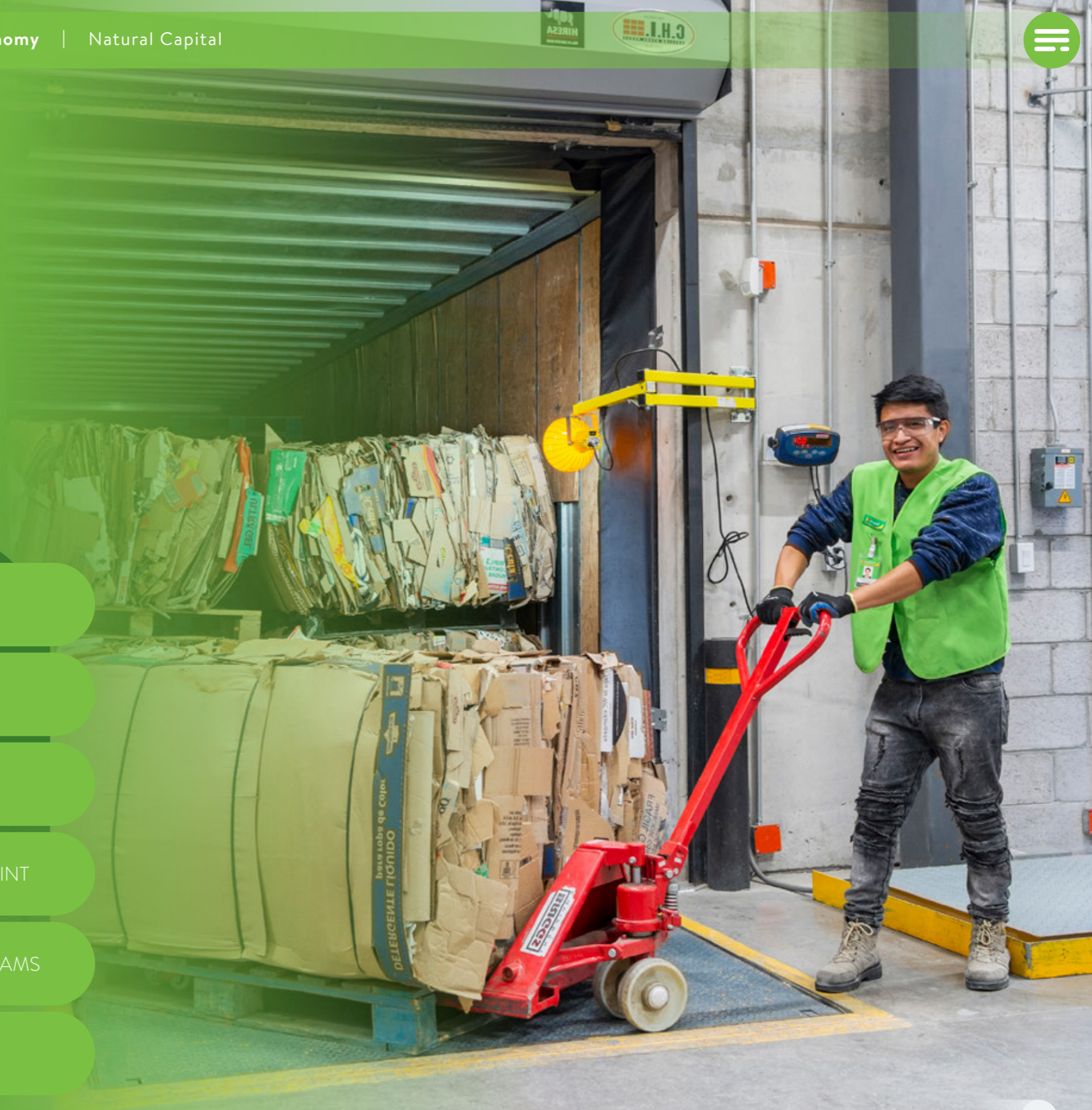
REDUCE PLASTIC FOOTPRINT



POST-CONSUMER PROGRAMS



BULK AND REFILL SALES





OPERATION GOALS



ZERO WASTE

Prevent more than **90%** of the waste generated in our operation from being sent to landfills by 2025, moving towards sustainable alternatives.



FOOD WASTE

Reduce food waste by **50%** by 2025 vs. 2015.



SUSTAINABLE PACKAGING

Achieve **100%** recyclable, reusable or compostable packaging for Private Brands' products, avoid the use of unnecessary or difficult-to-recycle plastic, and include at least 20% post-consumer recycled material by 2025.



PRODUCT GOALS



REDUCE PLASTIC FOOTPRINT

Reduce the consumption of more than **3,000 tons** of virgin plastic from our operations and in Private Brands' products by 2025 vs. 2020.



POST-CONSUMER PROGRAMS

We established **recycling initiatives** to recover post-consumer packaging materials and give them a second life as inputs in other industrial processes, working with strategic allies.



CUSTOMER GOALS



BULK AND REFILL SALES

Minimize the environmental impact of different products by reducing packaging while enriching the shopping experience, making it more convenient, sustainable and budget-friendly.





ZERO WASTE

GRI 306-1, 306-2, 306-4

Every day, we are moving closer to our Zero Waste goal for 2025 by reducing waste and improving waste management. We continue to implement strategies and innovations in our processes to optimize the use of products.

What did we do and what did we accomplish?

Mexico

To increase the percentage of waste being recycled and donated and to promote responsible waste management, we established the **Zero Waste Challenge**, a fun internal competition between stores and clubs.

To improve waste management, we initiated the Submetering Pilot in 270 stores, introducing innovative tools to monitor and control energy and water consumption and waste generation. This initiative includes the implementation of automatic scales that provide us with an exhaustive follow-up of each type of waste, which allows us to develop specific strategies for its use and reduction.

Our efforts to keep waste out of landfills are ongoing, and they include recycling programs for goods fit for human consumption, donations to NGOs, pallet restoration in Distribution Centers, and recycling management of both organic and inorganic materials produced in our stores for reuse or new product development.

Central America

We began construction of a biodigestion plant at the Distribution Center in Coris, Costa Rica, which will process all fruits and vegetables waste, avoiding sending 1,890 tons of waste to landfills each year.

We increased the diversion of solid waste from landfills in the region by 21.3%, consolidating a 62.9% total diversion of solid waste. We increased the collection of materials by 12.5% through recycling programs.

What's next?

We will continue analyzing alternatives, executing action plans, and evaluating best practices to reduce waste generation and prioritize waste management according to its impact in Mexico and Central America.

We also presented the “*Regeneradores Unidos por un Futuro Mejor*” (Regenerators United for a Better Future) call, a movement to collaborate with companies interested in the responsible use of organic waste generated in our stores. This campaign seeks to create partnerships to make the best use of this waste through 2024 and has been publicized on social media and corporate websites. We count with the participation of 50 suppliers.



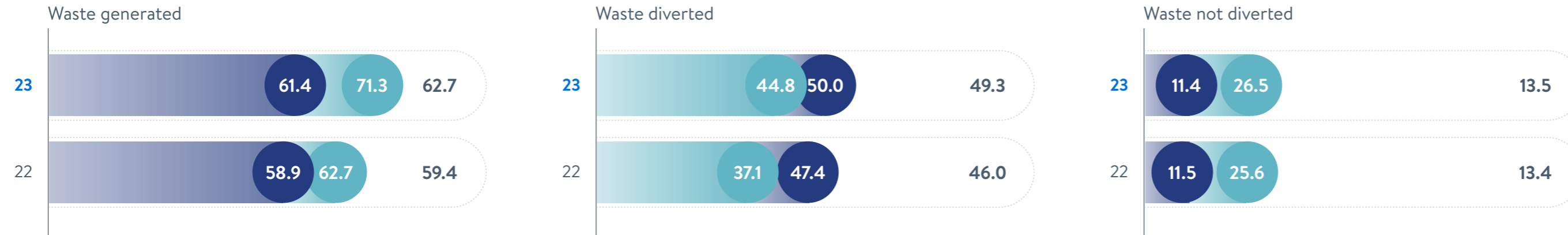


TOTAL WASTE INTENSITY

Mexico* and Central America kg/m²

GRI 306-5

● Mexico ● Central America ● Total

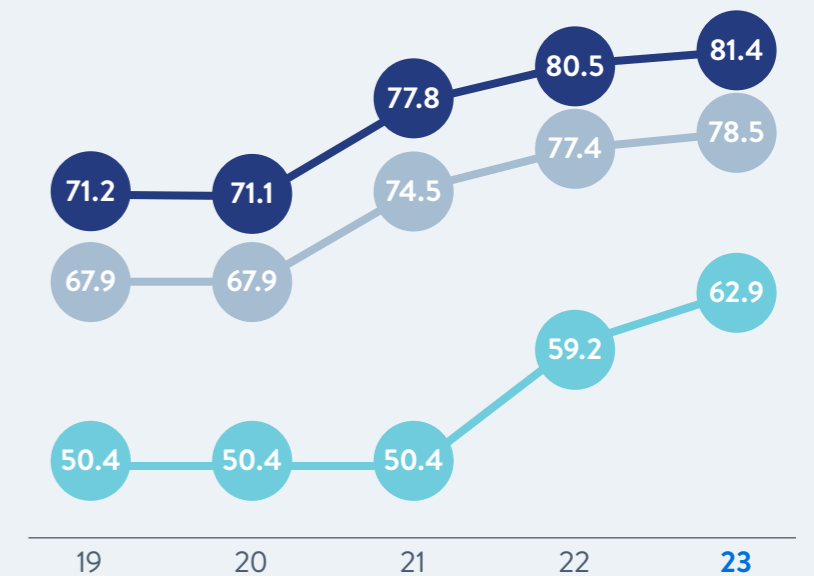


*As of 2022 we consider the restoration and recycling of pallets within Mexico's waste measurement



PROGRESS TOWARDS ZERO WASTE BY 2025 (%)

● Mexico ● Central America ● Mexico and Central America





WASTE CLASSIFICATION AND DESTINATION

GRI 306-3, 306-4, 306-5

WASTE DIVERTED FROM LANDFILLS

636,117.7 tons in Mexico and Central America



685,178.9

tons of waste generated

776.0

tons of hazardous waste

684,402.9

tons of non-hazardous waste

124,732.3

tons of waste generated

451.0

tons of hazardous waste

124,281.3

tons of non-hazardous waste



30,004.0

tons of food donated to partner institutions

25,425.04

in Mexico

4,578.97

in Central America



5,601.5

tons donated through our associate donation programs



132,142.2

tons of wooden pallets restored

INORGANIC WASTE DIVERTED BY TYPE

Mexico and Central America (Tons)

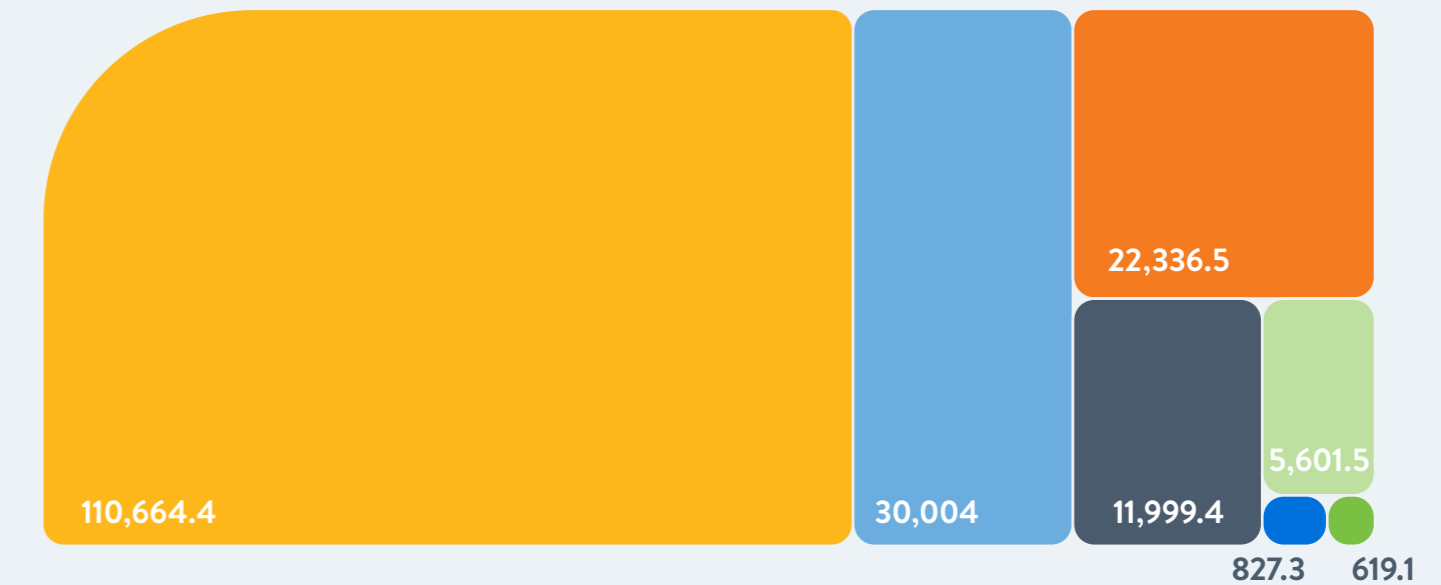
● Corrugated (paper and cardboard) ● Plastics ● Metals ● Other



ORGANIC WASTE BY DESTINATION

Tons

● Biofuels ● Fertilizers ● Donated to associates ● Composted
● Animal feed ● Donated to organizations ● Landfill





FOOD WASTE

GRI 306-4, 308-2

OUR GOAL

Reduce food waste by 50% by 2025, compared to 2015.

In 2023 we reduced food waste by 64.4%, surpassing our goal



What did we do and what did we accomplish?

Mexico

In our fight against food waste, we have implemented comprehensive strategies to maximize resource utilization and minimize any form of waste. From preventing shrinkage in the supply chain to redistributing food fit for human consumption through donation programs, we have prioritized efficiency at every stage. In addition, we strive to give a purpose to food that is not fit for human consumption, either by channeling it into animal feed initiatives, energy generation, or by transforming it into fertilizer and compost.

This year, 89 stores joined the Imperfect but Good program, which was introduced in 11 stores in 2022. The program's goal is to revalue food and prevent food waste by offering a premium price for fruits and vegetables which, due to farming or climate reasons, have external aesthetic defects that in no way compromise their nutritional value.

Central America

We donated 41% of our stores' total shrinkage through contributions to food banks, supporting 685 NGOs, and benefiting more than 240,000 vulnerable people.

We implemented Imperfect but Good in Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica in 18 Walmart Supercenter format stores, reducing the waste of fruits and vegetables that look different from the customer's preference, but are suitable for sale and consumption.



1,102,148

kg sold through Imperfect but Good in Mexico

254,000

kg sold through Imperfect but Good in Central America

What's next?

We will strengthen donations by optimizing logistics in stores and expanding coverage. Fruit and vegetable Distribution Centers will be integrated into the donation program. We also plan to expand the Imperfect but Good program to more stores.



SUSTAINABLE PACKAGING

SASB CG-MR-410A.3, FB-FR-430A.4

OUR GOAL

Achieve 100% recyclable, reusable, or compostable packaging for Private Brands' products, avoid the use of unnecessary or difficult-to-recycle plastic, and include at least 20% post-consumer recycled material by 2025.

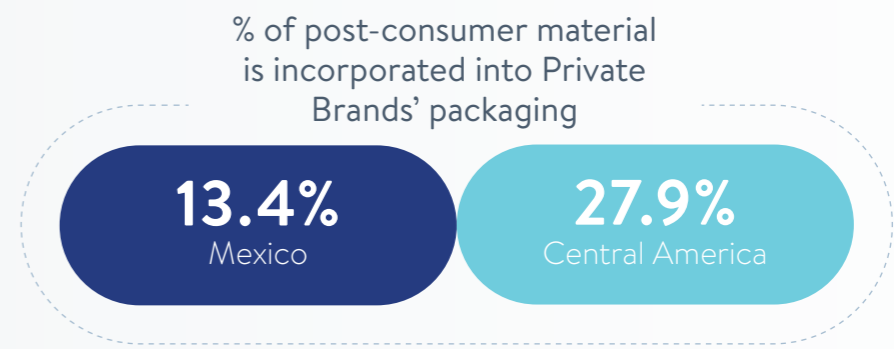
What did we do and what did we accomplish?

We made significant changes to our in-store and home-delivery packaging to reduce our environmental impact by using more sustainable alternatives, such as recycled, compostable, and low-plastic materials.

In addition, unnecessary plastic products have been removed from the stores, and specific changes have been made to Private Brands packaging to reduce material consumption and encourage recyclability.

In order to support these initiatives, a team tasked with planning and measuring progress has been established. Additionally, this team provides training to our commercial team and strategic suppliers on sustainable packaging methods.

In Mexico, we transitioned to compostable bags to reduce environmental pollution. We have implemented this change in 15 states. We project a 50% savings in annual costs as a result of this transition. We replaced more than 18 million Styrofoam trays in our meat plant with 100% recycled PET.



What's next?

We will use compostable bags across Mexico and in Central America. We will prioritize the transition to sustainable packaging for the 20 most relevant products in each category, as technology allows.

We will completely and permanently remove Styrofoam from our stores for internal use. Suppliers will be challenged to accelerate this transition in areas where it does not significantly affect product value and packaging alternatives are available.



PLASTIC FOOTPRINT

GRI 301-1, 301-2, 301-3

OUR GOAL

By 2025, reduce the amount of virgin plastic used in our stores, Distribution Centers, and Private Brands' products by over 3,000 tons in Mexico.



What did we do and what did we accomplish?

We continued to reduce our environmental impact by decreasing the use of virgin plastic in our operations. This achievement is due to two key measures: we eliminated products containing virgin plastic from the sales floor and replaced them with alternative materials such as recycled plastic, cardboard or bio-based materials.

Mexico

We used biodegradable bags in eCommerce deliveries, designed to fit the size of the product, which reduced the use of plastic and improved packaging efficiency.

We improved the packaging of cleaning products used in our stores, reducing the amount of plastic waste by more than 11 tons.

In compliance with regulations in different states, we have replaced our plastic packaging with recycled and/or recyclable materials. These new packages are supported and approved by the country's authorities.



9,379
tons of virgin plastic reduced since 2020

What's next?

We will constantly explore innovative packaging technologies and options, prioritizing recycled, biodegradable and sustainable materials. We will work closely with suppliers, strengthening sustainable supply chains and seeking strategic alliances to adopt more responsible practices.





POST-CONSUMER PROGRAMS

OUR GOALS

Increase the number of materials recovered through post-consumer programs.

What did we do and what did we accomplish?

Within the participating stores in all our formats, we have maintained, improved, and expanded our offer of recycling programs for our customers. In collaboration with strategic partners, we have promoted educational programs in the communities where we are present, creating spaces for material recovery and reuse. Similarly, we have implemented ongoing programs to recover materials, achieving favorable results.



Mexico
Our “Reciclamaña Evolucion” program has grown year after year. We added eight recycling facilities in 2023, bringing our total number of customer-accessible facilities to 31. During that time, we recovered over 256 tons of materials, which we then reintegrated into new value cycles. Without the support of Colgate, Diageo, Edgewell, Grupo Bimbo, Herdez, J&J, L’Oreal, Nestlé, PEPSICO, Procter & Gamble, and Reckitt, none of this could have been accomplished. In addition, through the three recycling centers in our Distribution Centers, we recovered 17,069 kg by replacing our plastic packaging with recycled and/or recyclable materials. These new packaging options have the endorsement and approval of the country’s authorities.

We also achieved:

- Transforming BOPP (bioriented polypropylene), collected through “Reciclamaña Evolucion”, into buttons for PEPSICO’s sales force uniforms
- **17,869 kg** of expired medicines collected in partnership with SINGREM
- **15,045 kg** of pods collected in alliance with Nescafé Dolce Gusto
- **94,733 kg** of HDPE collected in alliance with Alen del Norte

418,151
kg of recovered waste

Central America
In partnership with Nestlé, we have implemented seven recycling stations in Walmart Supercenter stores, distributed in El Salvador, Honduras, and Costa Rica.



In addition to standard materials like aluminum, glass, paper, and plastic, these stations also accept flexible poly laminated plastic packaging, which is frequently used in the food industry for goods like cereals, coffee, dried soups, and wrappers for chocolate and milk powder.

64,549
kg of recovered waste

What’s next?

In Mexico, we will be expanding our waste management programs and collaborating with commercial brands and strategic partners to continue offering our communities effective solutions for waste disposal.

In Central America, we will establish alliances with strategic suppliers to increase the number of stations in the region to 20 units.



BULK OR REFILL SALE

GRI 308-2
SASB CG-MR-410A.3, FB-FR-430A.4

OUR GOAL

Minimize the environmental impact of different products by reducing packaging.

12,210.385
kg of dog food sold

515
liters of shampoo sold



What did we do and what did we accomplish?
Mexico
All Bodega Aurrera locations have been selling dog food in bulk since 2009, giving our customers the opportunity to select their preferred goods in the needed quantity at a lower cost.

We started a refill pilot program with Procter & Gamble, introducing a specially designed machine to refill plastic bottles with four different products from the Herbal Essences, Head & Shoulders, and Pantene brands. This initiative has been implemented at Sam's Club Santa Fe in Mexico City.

What's next?
Encourage refilling and increase our variety of refillable products to boost the circular economy.



NATURAL CAPITAL

GRI 304-1, 304-2, 304-3, 304-4, 308-2
SASB CG-MR-410A.1, FB-FR-430A.1

The planet's natural capital, which includes basic resources and services such as water, pollination, clean air, and climate regulation, is the basis of our existence and well-being. The alarming depletion of these resources as a result of overuse drives us to create a favorable influence that supports the sustainability of our natural resources.

To make this vision a reality, we focused on three strategic areas:

1. FOCUS ON NATURE
2. RESPONSIBLE WATER FOOTPRINT MANAGEMENT
3. SUSTAINABLE SOURCING



FOCUS ON NATURE

OUR GOAL

Manage, conserve, and restore 20 million hectares of land and 2.5 million square kilometers of ocean worldwide by 2040.



12,000

trees were planted in the State of Mexico, Jalisco and Nuevo León

What did we do and what did we accomplish?

Mexico

We contributed to the preservation and regeneration of our ecosystems through reforestation campaigns, glass collection, beach cleaning, the creation of the first pollinator garden, the operation of two nurseries, the installation of recycled furniture, and the introduction of the Paperless program in Distribution Centers.

This year we conducted a Place-Based Project in collaboration with the Walmart International team, a specialized consultant and one of our main shrimp suppliers. The project's goal was to determine the shrimp company's carbon footprint in order to evaluate the supplier's level of adherence to the Vanguard Standard for Climate Action and Sourcing's fundamental requirements.

The study found that electricity was the main contributor to the carbon footprint within scope 1 and scope 2. Consequently, it was determined that power automation and renewable energy were essential for lowering emissions.

Additionally, in partnership with Nestlé and Procter & Gamble, we promoted the reforestation of 17.5 hectares in the State of Mexico, Jalisco, and Nuevo León, where more than 12,000 trees were planted.

We started operating the first pollinator garden at our Distribution Center in Culiacán and plan to expand this initiative to new locations.

As part of our commitment to environmental regeneration, the Supply Chain team installed two nurseries, one of which is located at our Chalco Distribution Center.

In addition, we designed a paper reduction program aimed at saving more than 2 million sheets of paper, achieving a 99.43% compliance rate.

What's next?

We will continue to forge strategic partnerships with business partners and organizations committed to environmental conservation. Through these connections, we will focus on implementing concrete actions to conserve, protect and restore our natural resources.





RESPONSIBLE WATER FOOTPRINT MANAGEMENT

GRI 303-1, 303-2, 303-3, 303-4, 303-5
SASB CG-EC-130A.2

B rating in CDP Water Security

Water is a very important resource of our natural capital. The lack of this resource has an impact on the survival of every living species on earth, including humans, as it affects biodiversity and the health of the aquatic habitat. Water pollution also affects wildlife and aquatic ecosystems, endangering all aquatic ecosystems. In many parts of Mexico we are currently facing challenges in meeting the growing demand for water, especially in the north and center of the country. Irregular rainfall distribution and climate change are aggravating water scarcity in these areas, which may further affect water availability in the future.



What did we do and what did we accomplish?

We have installed 1,075 water-saving valves in more than 30% of our total stores, in addition to installing water meters in more than 200 units. This measure makes it easier to control and reduce consumption of this essential resource. We have also restored 10% of our wastewater treatment plants, ensuring their optimal operation and the quality of the water we distribute. We are currently mapping important water-related opportunities in order to further streamline water management and use.

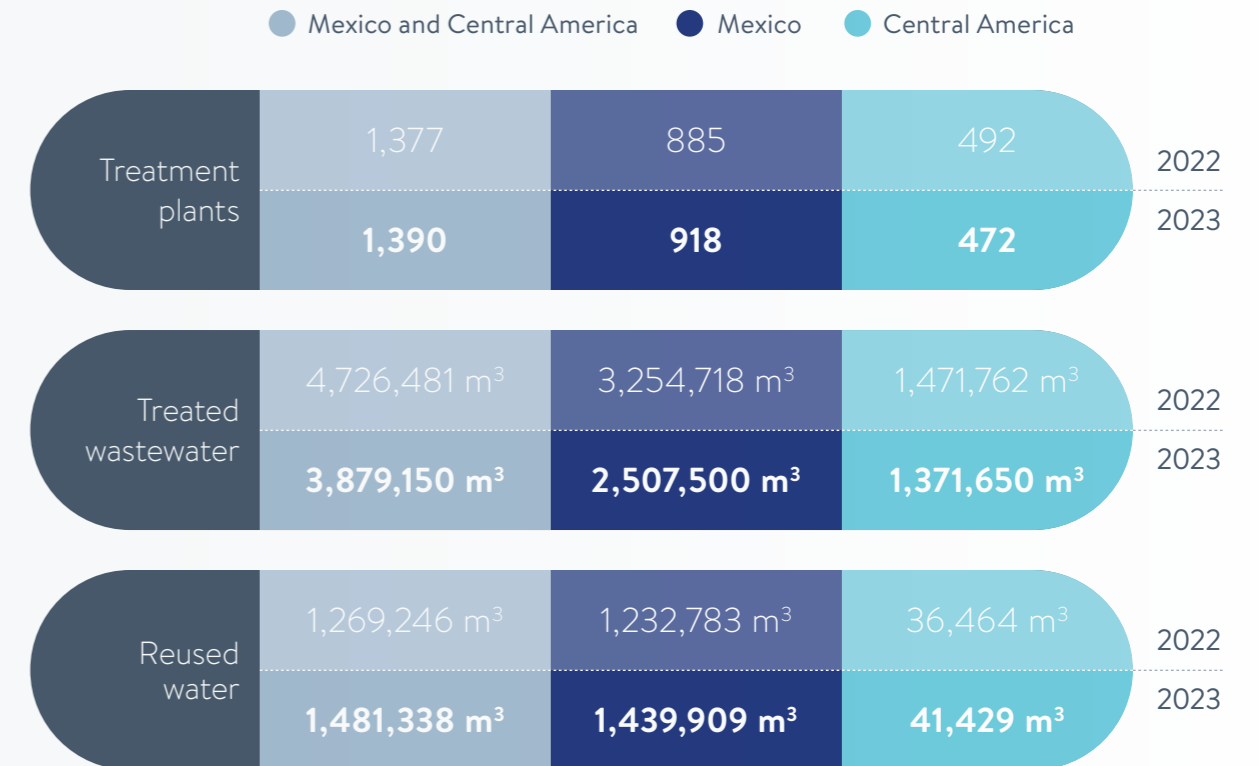
We completed the CDP Water Security questionnaire and received a B rating for our water risks and those of our supply chain. In order to reduce these risks, we also assessed crucial areas for the implementation of nature-based initiatives in collaboration with a specialist consultant.

In an effort to maximize water use, two new water treatment technologies were put into place, while sustainable practices continue to be encouraged. We successfully conducted a pilot test in our stores, implementing an innovative water-saving system that focuses not only on reducing water consumption but also on measuring and managing waste and energy.

All of these actions aim to reduce the company's water footprint.

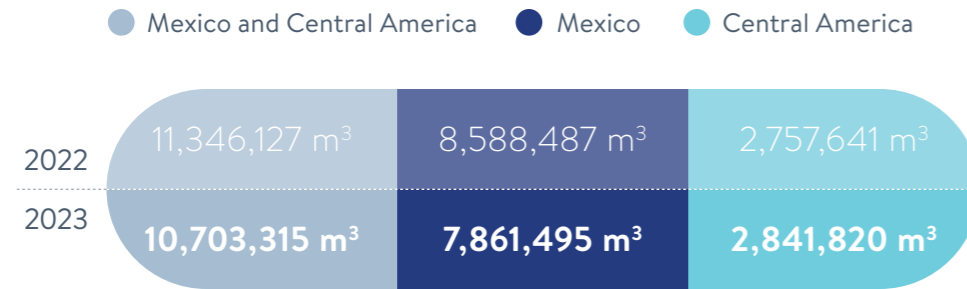
What's next?

We will work to conserve water resources by identifying and prioritizing areas of intervention and acting effectively to address them.





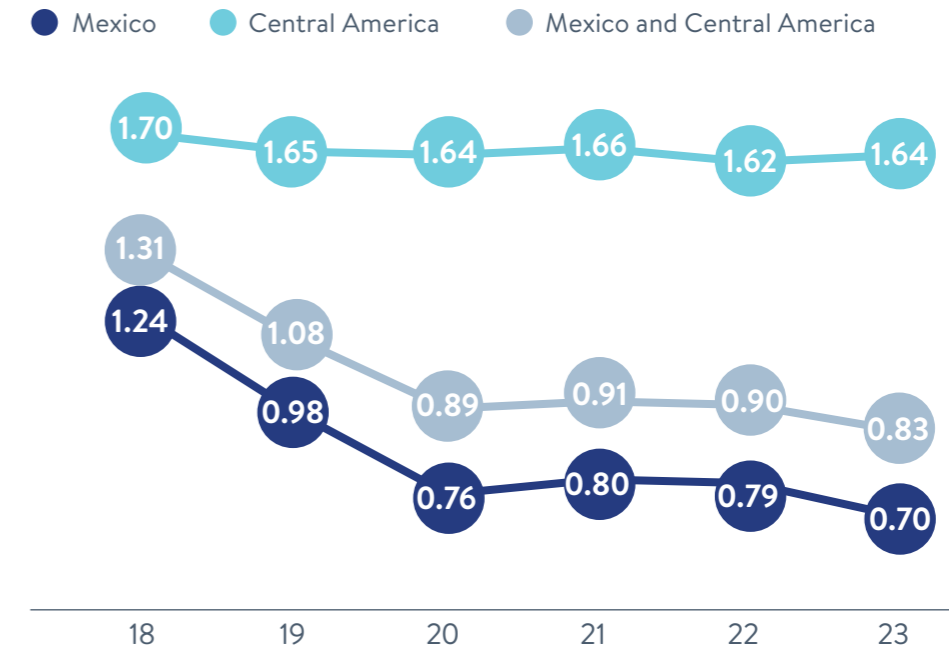
TOTAL WATER WITHDRAWAL



	2022	2023
Municipal supply	83.3%	79.7%
Well supply	10.7%	8.6%
Tank truck supply	5.9%	11.5%
Mall	0.2%	0.2%

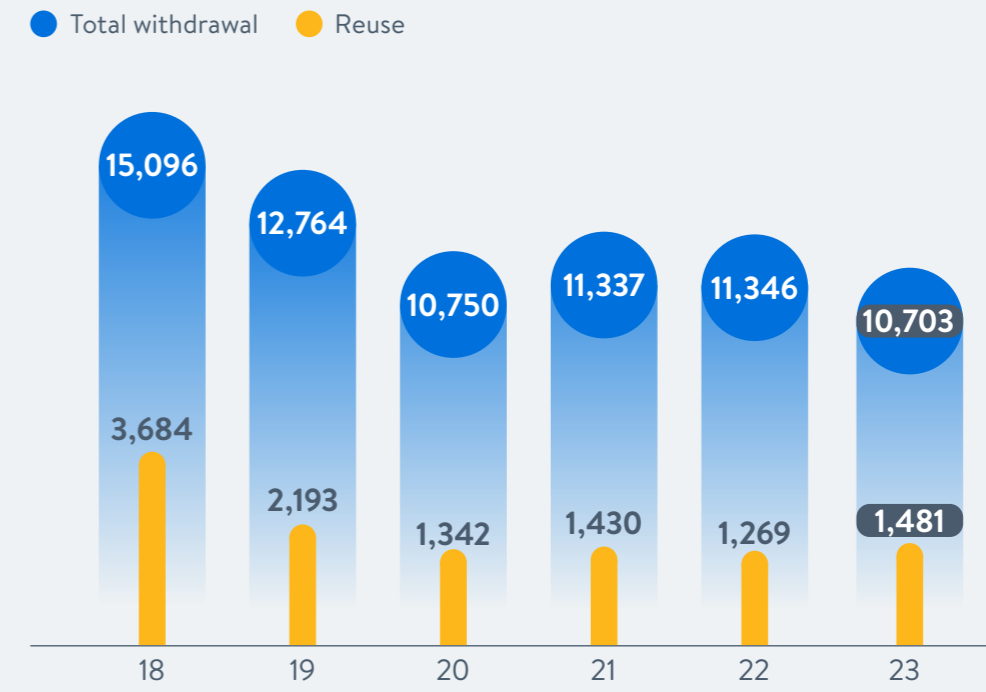
WATER WITHDRAWAL INTENSITY

m³ / m²



WATER WITHDRAWAL AND REUSE

Mexico and Central America (thousands of m³)





Water-related risks and opportunities

SASB FB-FR-430A.1, CG-MR-410A.1

We maintained our commitment to strengthen responsible water footprint management. Therefore, in 2023, we invited our suppliers to complete the CDP water-related risks survey.

192 of our suppliers participated in the CDP Supply Chain survey

58% of participants performed a risk analysis

71% of suppliers have identified opportunities related to water management

WATER-RELATED RISKS IN OUR OPERATIONS

- Increased water scarcity
- Rationing of municipal water supply
- Floods
- Seasonal supply and inter-annual variability of water supply
- Extreme weather events / Droughts
- Tighter regulatory standards
- Increase in water prices
- Decrease in water quality
- Increased water stress

WATER SECURITY RISKS IN OUR SUPPLY CHAIN

- Limited availability of good-quality water
- Regulatory changes affecting water availability and quality
- Decrease in water quality or lack of wastewater treatment in municipalities
- Increase in water consumption rates
- Public pressure to allocate water resources to other uses
- Floods or droughts affecting the productivity of agricultural production
- Impacts on supply chain and disruptions in products sourcing

WATER SECURITY OPPORTUNITIES IN OUR SUPPLY CHAIN

- Improved community relations
- Water recovery by wastewater management
- Increased brand value
- Reduced impact on water resources by product use
- Increased supply chain resilience
- Increased resilience to climate change impacts
- Increase sales of existing products and services
- Sales of new products and services
- Cost savings
- Improved water efficiency in operations



SUSTAINABLE SOURCING



Raw materials

OUR GOAL

Increase the scope of our natural capital policy with the objective of acquiring palm oil, paper, pulp and timber, fish, soybeans, and beef 100% free of deforestation and/or from sustainable practices.



At Walmart de México y Centroamérica, we work to lessen our carbon footprint and are dedicated to sustainability and biodiversity preservation. Supports the production of deforestation-free products and promotes transparency in the supply chain. Focuses on products that contribute to global deforestation, such as palm oil, pulp and paper, timber, beef and soybeans, and urges its suppliers to avoid deforestation.

As a result, our goal is to sustainably source these commodities by 2025.



GRI 204-1, 308-2

Palm oil

Since palm oil is so highly sought after, there is a chance that its production is associated with extractive techniques that are harsh on soils and biodiversity. By 2025, we pledge to use only sustainable palm oil in all of our Private Brands' products, with traceability guaranteed by reputable certifications such as those of the Roundtable on Sustainable Palm Oil (RSPO).



Palm oil from sustainable sources

95.6%
Mexico

100%
Central America

Beef

We seek to source deforestation- and conversion-free meat from Priority Regions* for products under Private Brands and national brands.



Soybean

We aim to source only deforestation- and conversion-free soybeans for Private Brands' products sourced from Priority Regions*



*Priority Regions: the Brazilian Amazon and the Cerrado or Gran Chaco of Argentina and Paraguay

Sustainable fishing

Climate change threatens fishing activities. Therefore, by 2025, we have committed to procuring 100% of our fresh and frozen seafood and canned tuna from sustainable sources. These must comply with standards such as Best Aquaculture Practices (BAP), Marine Stewardship Council (MSC) or equivalent, or be supported by a Fishery Improvement Project (FIP). In 2023, our fishery products met these commitments in the following proportion:

Fish and seafood

76.9%
Mexico

68.0%
Central America

Canned tuna

100%
Mexico



Additionally, we were recognized by the **Causa Natura Center** Organization as one of the retailers with the greatest commitment to guarantee the sustainable origin of our fish products.

Paper, pulp and timber

A vital link in this chain, cellulose fibers are also essential to the traceability of certified deforestation-free sources. By 2025, we pledge that 100% of the paper, pulp and timber we use will come from sustainable sources or include recycled content in Private Brands' products. Our suppliers must have recognized certifications such as FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forest Certification) or SFI (Sustainable Forestry Initiative) or recycled content.



Paper, pulp and timber from sustainable sources

97.2%
Mexico

100%
Central America



Products with lower environmental impact

GRI 301-1
SASB CG-MR-410A.3, FB-FR-430A.2, FB-FR-430A.4

As part of our strategy, we aim to provide our customers with conscious and responsible purchasing options.

Our objective is to identify products with low environmental impact attributes, like those that come from ethical, organic, and animal welfare-friendly farms that make up our suppliers' sources.

What did we do and what did we accomplish?

We developed a comprehensive matrix based on the four pillars of our Regenerative Company strategy to evaluate our products. We raised the interest of more business partners in joining our Planet Friendly Products campaign, mainly through the "VPI Regenerativos" program.

Products with lower environmental impact 2023

420 Organic



954 Recycled packaging



15 Hydroponic



2,923 Textiles



48 Compostable



112 Cruelty-free



799 Water-efficient



1,278 Other



203 Sustainable certification



6,752 TOTAL

What's next?

For the coming year, we are focused on increasing the number of "VPI Regenerativos" available. At the same time, we are considering the inclusion of a specialized consultant to improve the assessment of these products.





SUCCESS STORY

Aires de Campo Organic Eggs

The eggs are produced by organically grown hens using sustainable practices that prioritize free roaming. Their diet consists solely of organic grains and is free of antibiotics, hormones, growth promoters, additives and colorants. Practices of this kind that have little to no negative effects on the environment support biodiversity conservation and restoration.

Our dedication to providing fair trade items is reaffirmed by our partnerships with organizations like *Comercio Justo México, A. C.*



Sustainable textiles

We remain committed to sustainable fashion and two years ago we launched textiles with low environmental impact in Mexico. These materials stand out for their origin in responsible production processes, such as sustainable cotton and the reuse of recyclable materials, such as PET, for the manufacture of polyester fibers. We have also redesigned processes to reduce water pollution during the dyeing process.

Our in-store catalog includes garments with seals such as Cotton LEADS, which guarantee traceability and sustainable cotton sourcing.

In 2023, we had a selection of more than 500 models available in stores, equivalent to more than 10 million garments, all with renowned seals such as Cotton LEADSSM, Certified Recycled Polyester and Global Recycled Standard.

