

# MEXICO

## Serving Customers In Diverse Ways

### History

Walmart's first store outside the U.S. opened in México in 1991 – a Sam's Club in Mexico City. In 1997, Walmart acquired a majority position in Cifra, and in 2000, the name changed to Walmart de Mexico (WALMEX). Later on, in 2009, Walmart de México acquired Walmart Centroamérica and the name changed to Walmart de México y Centroamérica.

### Banners

- Bodega Aurrera
- Bodega Aurrera Express
- Medi Mart
- Mi Bodega Aurrera
- Sam's Club
- Superama
- Walmart

### Quick Facts

- More than 2,400 retail units\*
- More than 239,000 associates\*\*

\*As of August 31, 2018

\*\* As of June 31, 2018 (total for Walmart Mexico & Central America)



## COMMUNITY

**Disaster relief:** When a 7.1 magnitude earthquake struck Mexico in September of 2017, our associates in the states of Puebla, Morelos and CDMX worked together to staff collection centers in our offices, distribution centers, stores and clubs. They went beyond their routine duties to help collect merchandise donations and assemble packages for shipment to those who were left homeless or suffered damage to their homes.

In FY2018, MXN\$36 million was given to 11,820 associates who incurred damage to their homes due to some natural disaster. The Walmart Foundation also gave US\$550,000 toward recovery and relief efforts.



## ECONOMIC IMPACT

In 2016, Walmart de México y Centroamérica opened 92 units – 58 in Mexico and 34 in Central America – with an investment in fixed assets of MXN\$14.3 billion.



## SUPPLIER DEVELOPMENT

**Training:** For the second year, Walmart de Mexico Foundation invited small producers to present projects that would help them to develop their commercial capacities and boost the economies of their communities by helping them participate in formal markets. The 30 farmers whose projects were selected received training over 13 months in developing their business models, improving their packaging, complying with the Official Mexican Standards (NOM'S), developing best manufacturing practices, developing business plans and mentoring with company executives. Once this period ends, the products will be tested in group stores for 180 days.

The Walmart Foundation is supporting Root Capital, a nonprofit that seeks to grow rural prosperity in poor, environmentally vulnerable communities in Africa and Latin America. Root Capital will use the grant of just over US\$800,000 from the Walmart Foundation to provide financial training to 24 agribusinesses, helping them to access capital and grow their markets. These businesses are, in turn, expected to provide market access for 7,500 coffee, cocoa and honey producers in Chiapas, Compeche, Oaxaca, Puebla, Veracruz and Yucatan.

**Women empowerment:** In 2017, 11 women-owned companies participated in a WOB program that aims to empower women entrepreneurs by giving them greater access to the markets and tools needed to grow their businesses. The 11 suppliers receive support from Walmart's purchasing and development experts, as well as mentoring from Endeavor, a leader in building entrepreneurial ecosystems, in areas such as business-plan development, and sales and marketing strategies.

## Walmart México y Centroamérica



Note: Information provided by markets. Numbers and percentages constitute reasonable estimates to the best of our knowledge as of August 2018.



# OPPORTUNITY

- Walmart de México has invested more than 60 million pesos in training programs for associates of all levels, in order to develop skills such as leadership, teamwork, negotiation and technical knowledge. A clear example of the results of these programs are the 23,413 associates promoted in 2017, of which 50 percent are women.



## SUSTAINABILITY

**Energy:** In FY2018, Walmart de México received 1,283 GWh of renewable energy from eight large offsite projects, covering 43 percent of the total electricity demand. Over 91 percent of our stores in Mexico are supplied with renewable energy from these projects.

**Waste:** In 2017, we expanded a program for collecting inedible fruits, vegetables and bakery goods for composting, diverting 4.8 tons of waste in our supercenter stores and Sam's Club locations.

**Recycling:** Walmart Mexico joined with Coca-Cola and Ciel to put recycling containers for PET and aluminum outside Walmart, Superama and Sam's Club stores. The materials collected are then used to build desks and chairs for parks and schools as part of the volunteer community aid program. At Walmart and Superama stores, customers recycled over 106,000 cans, which were used to provide 80 solar heaters for the community of Mazahua.

**Water:** In several markets where municipal systems are unavailable or inadequate, Walmart deploys water treatment facilities directly on site to process water to potable or near potable quality before returning it to the municipal systems and in some cases even reusing it on-site where regulations permit. Walmart de México plays a leading role in water stewardship in our company, especially with water reuse. They continued to expand the number of wastewater treatment plants that they had installed in Mexico, reaching a total of 756 plants in 2017. These plants enabled them to reuse two million cubic meters of water in Mexico in 2017.



## WORKER DIGNITY

**Hotline:** In 2017, the Walmart Foundation provided a grant of US\$2 million to Polaris Project to further develop the capacity of a national hotline in Mexico to address forced-labor cases, to deepen the hotline's referral network, and to expand the hotline connectivity and data-analysis systems.

**Labor study:** The Walmart Foundation also provided a grant of US\$1.4 million to fund a Woodrow Wilson International Center for Scholars study on labor conditions in Mexico's export-oriented produce industry to develop recommendations for improvement.

## In 2017, Walmart de México y Centroamérica:

- Was a member of the FTSE4Good Emerging Index for the second consecutive year and of the IPC Sustainable of the Mexican Stock Exchange for the sixth consecutive year.
- Received the Corporate Social Responsibility Distinctive (ESR<sup>®</sup>) granted by CEMEFI for the 17th consecutive year.
- Best Design and Usability in eCommerce Award by eAwards for its Super website relaunch.
- Ranked 11th at Top 30 Companies with the greatest environmental commitment according to Forbes.
- Ranked 1st at Top 100 Companies that push Mexico and the United States by Grupo Mundo Ejecutivo.