

2014

Walmart 
México y Centroamérica



Financial and Corporate
Responsibility Report

Message

from the Chairman of the
Board of Directors and CEO

At Walmart de México y Centroamérica we reinforce our commitment with the vision of improving the quality of life of families in the region. This year's results were driven by solid performance in the Self-service both of Mexico and of Central America, as well as by the disciplined control placed over expenses. On the other hand, the soft sales at Sam's Club were our main challenge. We know there is still room for improvement and therefore we will continue working with our competitive advantages to make our operation evolve and in that way fulfill the long-term vision of benefiting all our customers.



We are a sound company, with a continuous history of profitable growth; despite challenges faced in recent years, our results have broken records. These achievements are a reflection of the benefits of the evolution our Company has undergone in terms of structure and ways of working. We have applied strategies aimed at centering all our activities on meeting our customers' needs, simplifying the business, being more productive, and establishing the foundations for future growth, all of which relies on the talent of our associates and our commercial strategy of Every Day Low Prices.

Total income for the Company amounted to \$441.0 billion pesos, representing 4.1% more than last year. EBITDA totaled \$42.9 billion pesos, which is 6.3% higher than 2013 and 9.7% regarding total income. Net income for the year came to \$30.4 billion pesos, an improvement of 34.0% over that posted the previous year, this number includes one-time benefits, such as income from the sale of the restaurant division. General expenses as a percentage of sales remained almost the same as 2013, a reflection of our disciplined control in this area.

Our Company has a sound financial structure that translates to a solid balance sheet and the constant generation of cash, allowing us to compensate the confidence of our shareholders in the way of dividend payments and the repurchase of own shares. In 2014, a record amount of \$27.9 billion pesos was decreed for these concepts, of which \$23.9 billion pesos were paid in dividends at a rate of \$1.38 pesos per share, from which \$0.13 pesos per share are still to be paid in 2015, and \$4.0 billion pesos for the repurchase of over 120 million shares of Walmex stock.

We paid a historical amount in the form of dividends and repurchase of shares

Our operations in Mexico –representing 85.9% of the Company- posted \$378.8 billion pesos in total income, some 3.4% higher than 2013, and an EBITDA total of \$38.5 billion pesos, equivalent to 10.2% of total income. The Self-service division stood out among the rest as a driver of company results, with 2.0% comp store growth, surpassing overall growth for the industry by 2.4 percentage points.

As a reflection of the successful execution of strategies defined for Central America, excellent results were achieved in growing revenue, maintaining margins, reducing expenses, and considerable growth in profits. Total income amounted to \$62.2 billion pesos, 7.3% growth on a constant currency basis, leveraged expenses that grew only 2.1%, and EBITDA posted at \$4.3 billion pesos, an increase of 24.5% over figures for last year.

During the year we invested \$12.7 billion pesos to expand and modernize our stores. We opened 132 new units –some 2.9 million additional square feet of sales floor- representing a 3.9% increase in installed capacity, and presence in 33 more cities.

Our investments not only focus on offering our value proposition to more customers, but also generating increasingly efficient processes to improve results for our shareholders. In 2014, according to a strategy designed to simplify the business, we completed the transaction of selling our restaurant division and announced the commercial agreement and sale of the Banco Walmart, thus allowing us to concentrate on the retail business and reinforce the value proposition for our customers.

Ours is a company with a long-term vision and we consistently make investments aimed at responding to the needs of over 2 billion customers that we serve each year. We continue to grow with a sound mix; we grew with our large formats that focus on offering price, assortment, quality and service in each unit; we also grew with small formats that are performing with outstanding results as compared to the rest of the industry, thanks to the value proposition of price and convenience.

We recognize the potential in the region for eCommerce and therefore are investing in the development and positioning of our online business for long-term success. In July, our website, walmart.com.mx celebrated its first anniversary. In addition, we set up over 150 kiosks in our units, offering our customers the alternative of being able to shop online outside the home, and jointly drive sales for this new channel. *AMIPCI 2014*, the recognition awarded by the Mexican Internet Association to walmart.com.mx, for being the best eCommerce site in Mexico, is a reflection of these efforts.

Generating value for our associates, suppliers, shareholders and communities, and reducing the environmental impact of our operation are part of our commitment. Therefore we continue working each day on elevating standards for Corporate Social Responsibility.

The Self-service division stood out, surpassing the industry by 2.4 percentage points

**Our website,
walmart.com.mx
celebrated its first
anniversary**

Thanks to our performance and commitment to continued improvement, management capacity and strength in social, environmental and corporate governance matters, in 2014 the Company was included in the *Dow Jones Sustainability Emerging Markets Index* for the third consecutive year, in addition to being incorporated into the *Sustainability Index of the Mexican Stock Exchange*, and we received recognition from the Mexican Center for Philanthropy as a Socially Responsible Company for the 14th consecutive year.

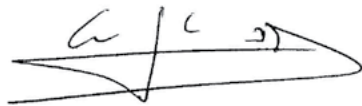
**The Company was
included in the Dow
Jones Sustainability
Emerging Markets
Index for the third
consecutive year**

The involvement of more than 133 thousand associates in volunteer activities, our initiatives in the field of energy efficiency in our units that reduced energy use by 42 million kWh this year, 12,434 small production companies who increased their income thanks to a capacity development program and selling their goods in our stores, thus creating social businesses with the goal of reducing poverty are a testimony of our commitment to social responsibility. Moreover, our *Zero Waste* initiative made great strides towards its final goal for 2025 –with 74% accomplishment in Mexico and 58% in Central America– regarding its definitive objective. Another outstanding feature for our Company is its ability to react quickly in the face of natural disasters, of reestablishing operations and assisting victims, as was the case this year in Mexico during Hurricane Odile, among others.

All of these results are a reflection of the admirable efforts of over 228 thousand associates. We continue investing in the growth and development of our associates through 3.1 million man-hours of training and 25,200 promotions for our people, thus enabling our associates to continue with their career path and rise up through the levels of the organization.

Another key element for our commercial success is the support received from our suppliers. By the close of 2014, we had over 26,600 strategic partners with whom we work, so that together we can reinforce the value chain and generate savings for our customers. The complete operation of our Company remains aligned with the highest of ethical and legal standards, and the aim to continue generating value and certainty for our different stakeholder groups.

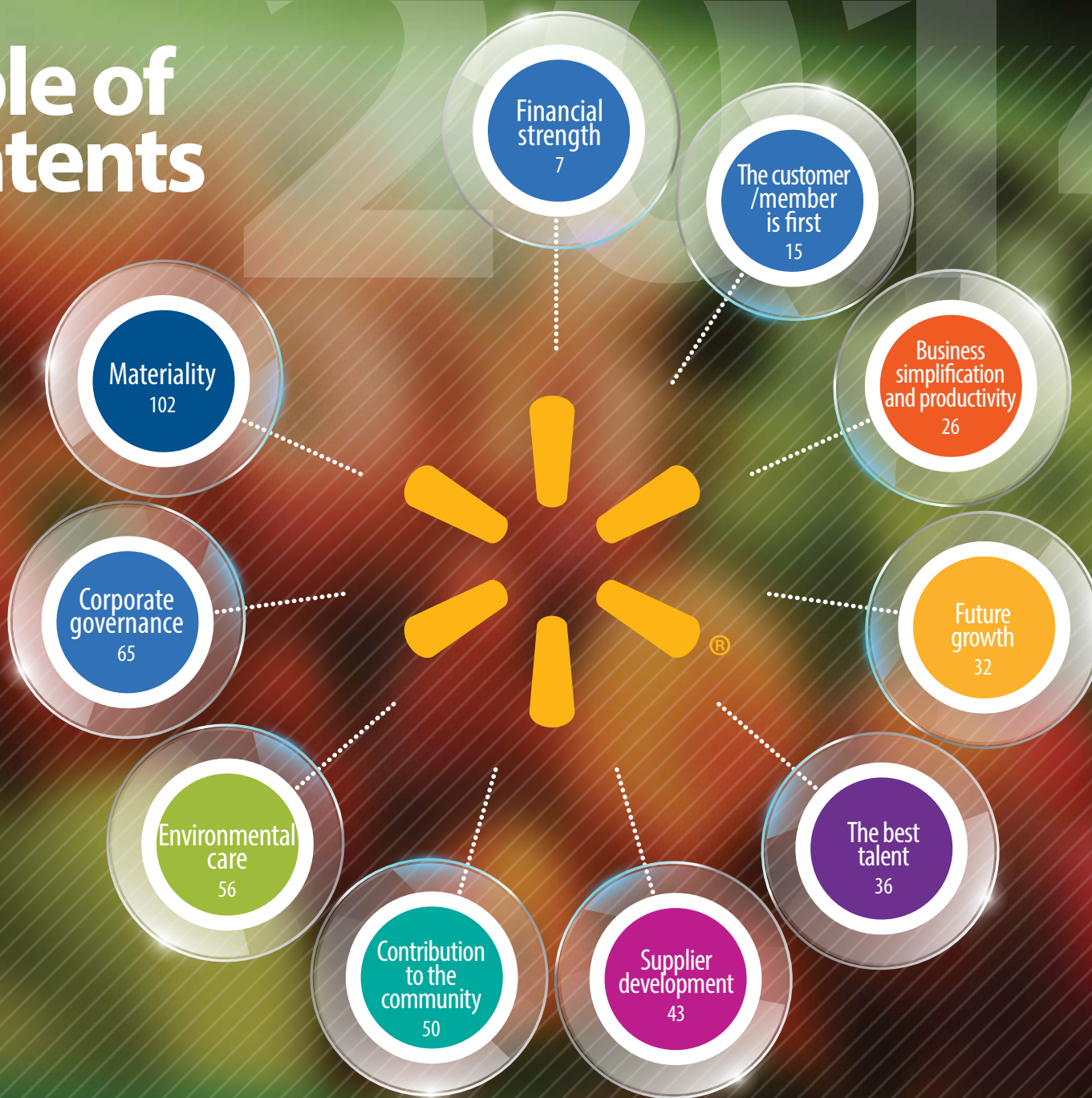
Dear shareholders, I appreciate the trust you have in the Board of Directors. To my Directors and members of the executive team, I wish to express my deepest gratitude for your dedication. To our associates and suppliers, my sincerest admiration for your work and commitment. With the support all of you give, we are better poised to respond to the expectations of our customers and to contribute to improving the quality of life for their families in Mexico and Central America.



Enrique Ostalé

Chairman of the Board of Directors
and CEO Walmart de México y Centroamérica

Table of contents



441
Billion pesos
Total Income

24
Distribution
Centers

228,063
Associates

2,979
Units

571
Cities

6
Countries

Walmart 
México y Centroamérica

Our vision:
To contribute toward improving the quality of life
of the Mexican and Central American families



1

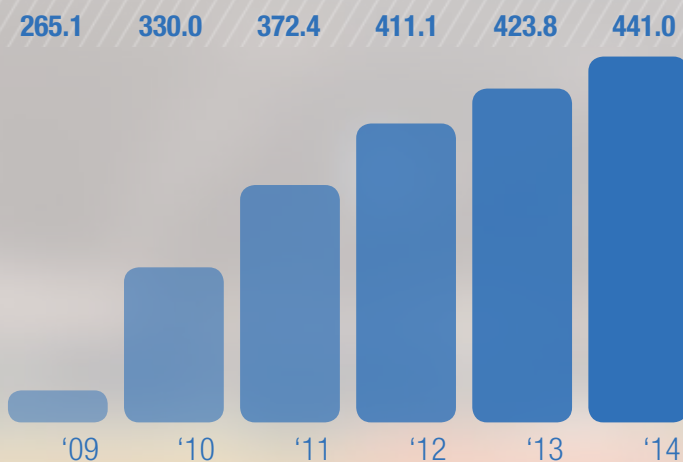
Financial strength

At Walmart de México y Centroamérica we reinforced our standing as a sound company within the retail industry. We managed to grow our sales, income and EBITDA, despite a year as challenging as 2014. We continued investing in the expansion of our installed capacity, the maintenance and modernization of our existing store base, resources were earmarked for elements of future growth such as eCommerce and, of course, we compensated the confidence of our shareholders through the payment of dividends and the repurchase of shares.

Key Performance Indicators

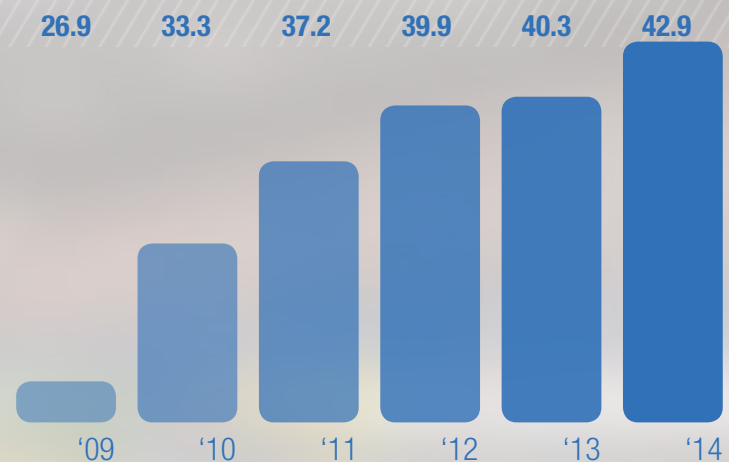
Total Income*

(MXN BILLION)



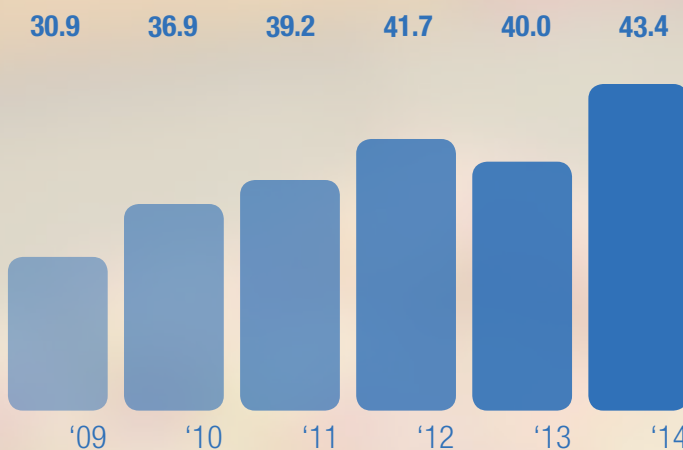
EBITDA

(MXN BILLION)



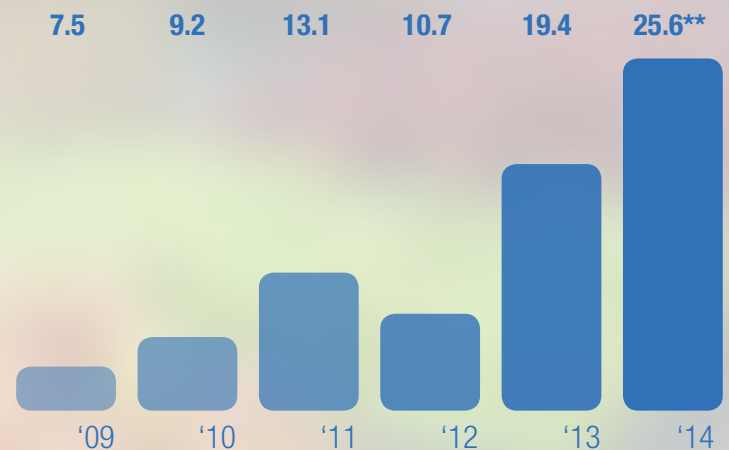
Cash Generation

(MXN BILLION)



Dividends & Repurchase of Shares

(MXN BILLION)



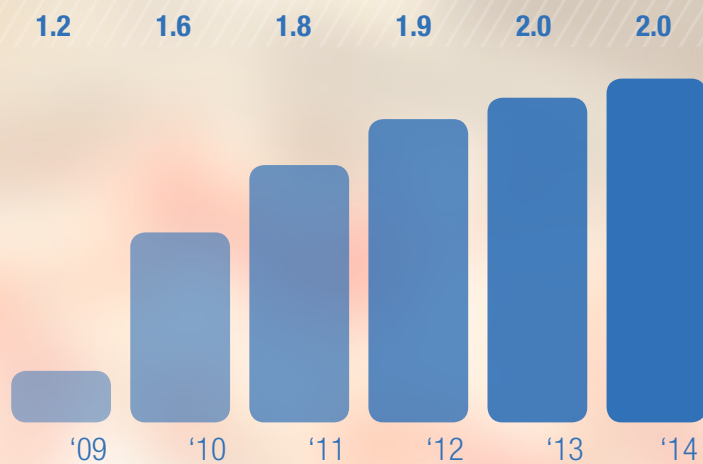
* Excluding Banco Walmart & Vips

** Excluding \$0.13 pesos per share dividend to be paid in 2015

Key Performance Indicators

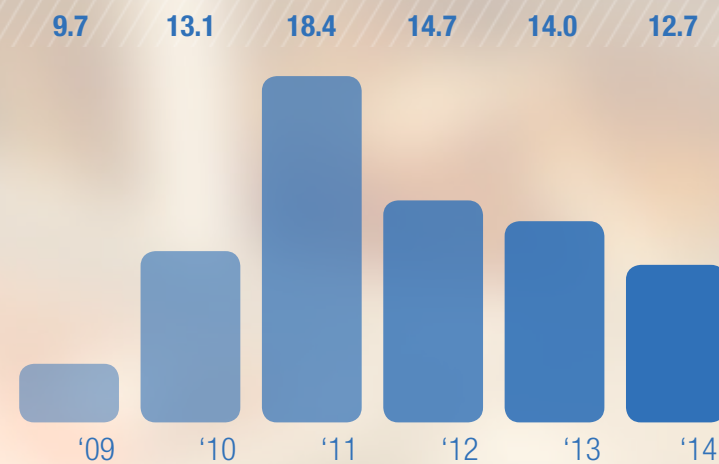
Customers Served*

(BILLION)



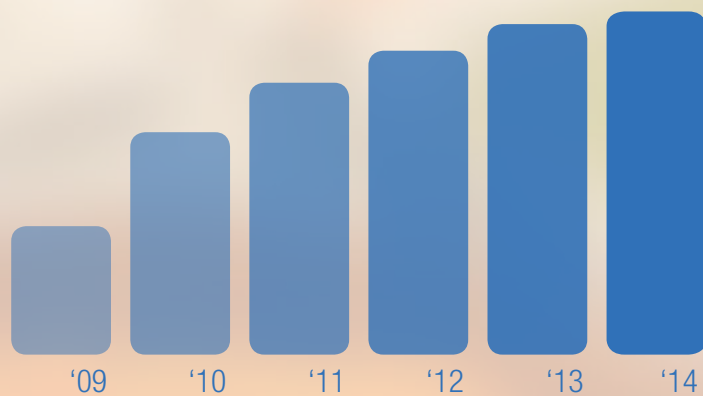
Investment in Fixed Assets

(MXN BILLION)



Total Units*

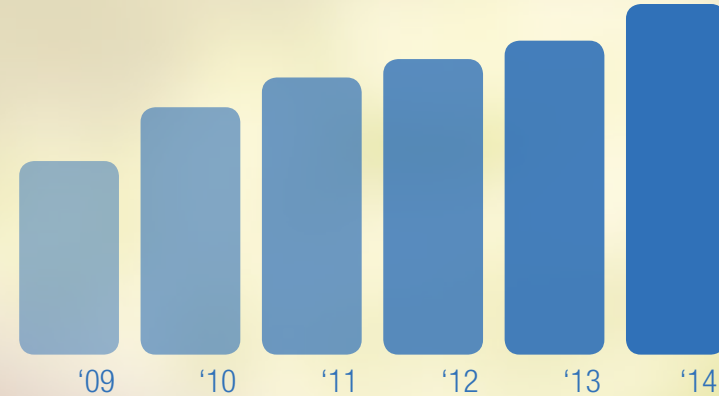
1,106 1,913 2,345 2,630 2,861 2,979



Total Sales Floor

(SQ. FT. MILLION)

44.5 54.7 61.7 66.5 71.2 74.0



* Excluding Vips

Financial Highlights

Consolidated results:

- Total income amounted to \$441 billion pesos, an increase of 4.1%.
- Gross margin of 22.1%, an increase of 20 basis points as a percentage of total income, as compared to the previous year.
- General expenses, 14.5% as a percentage of total income, were kept at the same level as last year, as a result of disciplined control throughout the year.
- Operating income achieved 9.7% growth, with a 40-basis point improvement over 2013.
- EBITDA grew to \$42.9 billion pesos, 20 basis points higher than the previous year, as a percentage of total income.
- Investments in fixed assets totaled \$12.7 billion pesos, primarily for the opening of 132 new units, and remodeling and maintenance of our installed capacity.
- 2,912,620 square feet of installed capacity were added during 2014, totaling 3.9% growth in total sales floor.
- A record figure in the history of Walmex, with a dividend decree of \$23.9 billion pesos in 2014: \$1.38 pesos per share, of which \$0.13 pesos per share will be paid in 2015; and the repurchase of own shares in the amount of \$4.0 billion pesos, for a total payment to our shareholders of \$27.9 billion pesos.
- Our cash-on-hand balance closed at \$28.0 billion pesos on December 31, 2014.

Mexico



Total income grew 3.4%, totaling \$378.8 billion pesos.

EBITDA posted an increase of 4.5% vs. 2013, totaling \$38.5 billion pesos, equivalent to 10.2% as a percentage of total income.

Installed capacity increased 3.6%, with the opening of 100 units and adding 2,432,083 square feet of sales floor.

This year's results for Mexico were driven by the Self-service division, with comp sales growth of 2.0%, some 2.4 percentage points higher than overall market growth (ANTAD Self-service). Weak sales in Sam's Club represented our primary challenge, and therefore measures were taken that have produced gradual improvements.

Central America



Total income grew 8.3%, which is 7.3% on a constant currency basis, totaling \$62.2 billion pesos.

Gross margin increased 8.5% in pesos and 7.4% on a constant currency basis, equivalent to 22.4% of total income.

General expenses underwent a considerable improvement, growing a mere 2.1%, on a constant currency basis, dropping from 18.6% of sales in 2013, to 17.7% this year.

Operating income grew 36.0% in pesos, totaling \$2.9 billion pesos and 34.7% on a constant currency basis.

EBITDA totaled \$4.3 billion pesos, growing 25.7%, that is, 24.5% on a constant currency basis. This was possible due to the growth in sales, maintaining gross margin growth at the pace of sales, and reductions in expenses.

Installed capacity grew 7.1%, thanks to the opening of 32 new units, adding 480,537 square feet of sales floor in 2014.

Our increased cash generation from our operations and the prudent management of financial policies place us in a privileged position for future growth, paying dividends and repurchasing own shares. In 2014, the generation of cash amounted to \$43.4 billion pesos, enabling us to fund investments in fixed assets, pay dividends, repurchase own shares, and pay taxes.

In addition to the considerable capacity of the Company to generate cash, we have a sound financial structure, as reflected in our debt-free balance statement and our favorable working capital.

Income Statement & Balance Sheet

As of December 31, 2014 (MXN billion)

Consolidated	2014	%	2013	%	% Inc.
Total income	441.0	100.0	423.8	100.0	4.1
Gross margin	97.6	22.1	92.9	21.9	5.0
General expenses	64.0	14.5	61.3	14.5	4.4
Operating income	34.7	7.9	31.6	7.5	9.7
EBITDA	42.9	9.7	40.3	9.5	6.3

Financial Information under International Financial Reporting Standards

Assets

Cash 28.0

Inventories 47.2

Fixed assets
& others 170.9

Liabilities & Equity

Suppliers 52.7

Equity & others 193.4

Total

246.1
billion pesos

Financial Summary (MXN million)

	* I F R S						** M F R S						
	2014 ⁽⁴⁾	2013 ⁽⁴⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2012	2011	2011	2010	2009	2008	2007	2006	2005
Mexico GDP (Growth,%)	2.1	1.1	1.1	3.9	3.9	3.9	3.9	5.5	(6.1)	1.5	3.3	5.2	3.2
Mexico Annual Inflation (%)	4.1	4.0	4.0	3.6	3.6	3.8	3.8	4.4	3.6	6.5	3.8	4.1	3.3
Peso Devaluation (%)	13.0	1.4	1.4	(7.9)	(7.9)	12.9	12.9	(5.6)	(4.5)	25.5	0.8	1.7	(4.7)
Average Exchange Rate	13.3	12.8	12.8	13.1	13.1	12.5	12.5	12.6	13.4	11.2	10.9	10.9	10.9
Year-end Exchange Rate	14.7	13.0	13.0	12.9	12.9	14.0	14.0	12.4	13.1	13.7	10.9	10.8	10.6
Mexico Average Interest Rate (28 Day Cetes,%)	3.0	3.8	3.8	4.2	4.2	4.2	4.2	4.4	5.4	7.7	7.2	7.2	9.2
RESULTS													
NET SALES	437,659	420,577	420,577	407,843	413,792	375,280	379,021	334,511	269,397	244,029	219,714	193,969	161,423
% of growth total units	4	3	3	NA	10	12	13	24	10	11	13	20	18
% of growth comp units	1	(1)	(1)	4	4	4	4	3	3	5	6	10	10
OTHER INCOME	3,329	3,246	4,584	4,217	4,259	3,570	1,885	1,346	1,054	888	787	711	640
% of growth	3	NA	9	NA	19	NA	40	28	19	13	11	11	10
TOTAL REVENUES	440,988	423,823	425,161	412,060	418,051	378,850	380,906	335,857	270,451	244,917	220,501	194,680	162,063
% of growth	4	NA	3	NA	10	NA	13	24	10	11	13	20	18
GROSS PROFIT	97,619	92,948	93,624	90,228	94,597	85,109	83,698	74,059	58,600	53,284	47,751	42,032	34,540
% of profit margin	22.1	21.9	22.0	21.9	22.6	22.5	22.0	22.1	21.7	21.8	21.7	21.6	21.3
GENERAL EXPENSES	64,010	61,318	62,102	58,541	61,926	55,574	53,619	47,015	36,332	33,533	29,428	26,237	22,480
% of total revenues	14.5	14.5	14.6	14.2	14.8	14.7	14.1	14.0	13.4	13.7	13.3	13.5	13.9
OPERATING INCOME	34,716	31,636	31,532	31,422	32,399	29,591	30,079	27,044	22,268	19,751	18,323	15,795	12,060
% of total revenues	7.9	7.5	7.4	7.6	7.7	7.8	7.9	8.1	8.2	8.1	8.3	8.1	7.4
% of growth	10	NA	0	NA	9	NA	11	21	13	8	16	31	29
EBITDA	42,854	40,305	40,222	39,860	41,166	37,188	37,415	33,294	26,915	23,887	21,973	19,019	15,109
% of total revenues	9.7	9.5	9.5	9.7	9.8	9.8	9.8	9.9	10.0	9.8	10.0	9.8	9.3
FINANCIAL (EXPENSES) INCOME, NET	(154)	(16)	(15)	401	399	189	191	460	662	474	1,468	1,378	1,369
INCOME BEFORE INCOME TAX	34,562	31,620	31,517	31,823	32,798	29,780	30,198	27,630	23,018	19,857	19,536	17,119	13,110
INCOME TAX	9,521	9,632	9,517	9,237	9,529	7,695	7,939	8,066	6,212	5,184	5,574	4,943	3,796
DISCONTINUED OPERATIONS	5,394	725	713	683	-	-	-	-	-	-	-	-	-
CONSOLIDATED NET INCOME ATTRIBUTABLE TO THE PARENT	30,426	22,717	22,717	23,275	23,275	22,080	22,254	19,550	16,806	14,673	13,962	12,176	9,314
% of growth	33.9	(2.4)	(2.4)	5.4	5.4	NA	13.8	16.3	14.5	5.1	14.7	30.7	21.2
FINANCIAL POSITION													
CASH	28,048	21,129	21,129	28,163	28,163	25,166	25,166	24,661	19,483	11,350	8,984	14,985	14,161
INVENTORIES	47,175	43,795	43,795	39,092	39,092	39,336	40,163	29,023	22,507	22,794	20,865	18,045	14,084
OTHER ASSETS	16,842	19,510	19,510	12,909	12,909	13,579	13,249	9,056	6,256	5,034	5,373	4,383	3,138
FIXED ASSETS	125,996	121,083	121,083	117,377	117,377	111,372	116,680	102,300	84,893	79,286	71,522	61,449	53,396
GOODWILL	28,020	24,745	24,745	24,745	24,745	29,768	29,768	29,768	-	-	-	-	-
TOTAL ASSETS	246,081	230,262	230,262	222,286	222,286	219,221	225,026	194,808	133,139	118,464	106,744	98,862	84,779
SUPPLIERS	52,710	47,609	47,609	44,770	44,770	50,854	50,854	38,000	30,378	27,005	25,381	25,864	20,429
OTHER LIABILITIES	43,125	39,702	39,702	37,679	37,679	39,184	40,894	33,948	19,613	17,183	15,179	13,502	12,549
EQUITY	150,223	142,931	142,931	139,701	139,701	128,867	132,962	122,531	83,148	74,276	66,184	59,496	51,801
NON-CONTROLLING INTEREST	23	20	20	136	136	316	316	329	-	-	-	-	-
TOTAL LIABILITIES, EQUITY AND NON-CONTROLLING INTEREST	246,081	230,262	230,262	222,286	222,286	219,221	225,026	194,808	133,139	118,464	106,744	98,862	84,779

	*IFRS						**MFRS						
	2014 ⁽⁴⁾	2013 ⁽⁴⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2012	2011	2011	2010	2009	2008	2007	2006	2005
NUMBER OF UNITS MEXICO													
Bodega Aurrerá	1,660	1,589	1,589	1,423	1,423	1,204	1,204	899	684	442	313	258	203
Walmart Supercenter	251	243	243	227	227	213	213	192	169	153	136	118	105
Sam's Club	159	156	156	142	142	124	124	108	98	91	83	77	69
Superama	93	92	92	90	90	88	88	75	69	67	64	60	55
Suburbia	116	109	109	100	100	94	94	90	86	84	76	62	53
Medimart Pharmacies	10	10	10	6	-	-	-	-	-	-	-	-	-
Restaurants Vips	-	-	-	365	365	364	364	366	360	360	348	311	286
TOTAL	2,289	2,199	2,199	2,353	2,347	2,087	2,087	1,730	1,466	1,197	1,020	886	771
NUMBER OF UNITS CENTRAL AMERICA													
Discount Stores	477	466	466	459	459	453	453	401	377	-	-	-	-
Supermarkets	96	100	100	97	97	96	96	94	92	-	-	-	-
Bodegas	94	75	75	67	67	54	54	36	32	-	-	-	-
Walmart	22	20	20	17	17	17	17	16	16	-	-	-	-
Clubs	1	1	1	2	2	2	2	2	2	-	-	-	-
TOTAL	690	662	662	642	642	622	622	549	519	-	-	-	-
BANCO WALMART													
Bank branches	-	201	201	263	263	263	263	263	190	38	16	-	-
OTHER INFORMATION AT THE END OF THE YEAR													
Number of Associates	228,063 ⁽⁵⁾	224,901 ⁽⁵⁾	226,289 ⁽³⁾	248,246	248,246	238,128	238,128	219,767	176,463	170,014	157,432	141,704	124,295
Share Price ⁽²⁾ (pesos)	31.72	34.26	34.26	42.33	42.33	38.23	38.23	35.44	29.35	18.50	18.85	23.78	14.76
Number of Outstanding Shares ⁽²⁾ (millions)	17,507	17,627	17,627	17,722	17,722	17,747	17,747	17,848	16,752	16,870	16,946	17,144	17,292
Market Value	555,322	603,901	603,901	750,172	750,172	678,471	678,471	632,533	491,671	312,095	319,347	407,684	255,143
Earnings per Share ⁽²⁾ (pesos)	1.732	1.284	1.284	1.312	1.312	1.240	1.250	1.105	0.999	0.866	0.817	0.705	0.532
Dividends Paid	21,643	16,056	16,056	9,612	9,612	9,659	9,659	5,743	5,040	4,902	4,313	3,223	2,708
Number of Shares Repurchased ⁽²⁾ (millions)	123	96	96	27	27	103	103	112	117	152	288	307	409
Investment in Shares Repurchasing Operations	3,996	3,328	3,328	1,088	1,088	3,455	3,455	3,472	2,509	2,869	6,065	4,842	4,663
ACQUISITIONS OF PROPERTY AND EQUIPMENT	12,691	13,987	13,987	14,660	14,660	18,352	18,352	13,130	9,735	11,316	11,097	8,990	8,059

1 Vips results are presented in discontinued operations

2 Adjusted according to split conducted in April 2010

3 Excluding Vips

4 Banco Walmart & restaurant division result are presented in discontinued operations

5 Banco Walmart associates not included

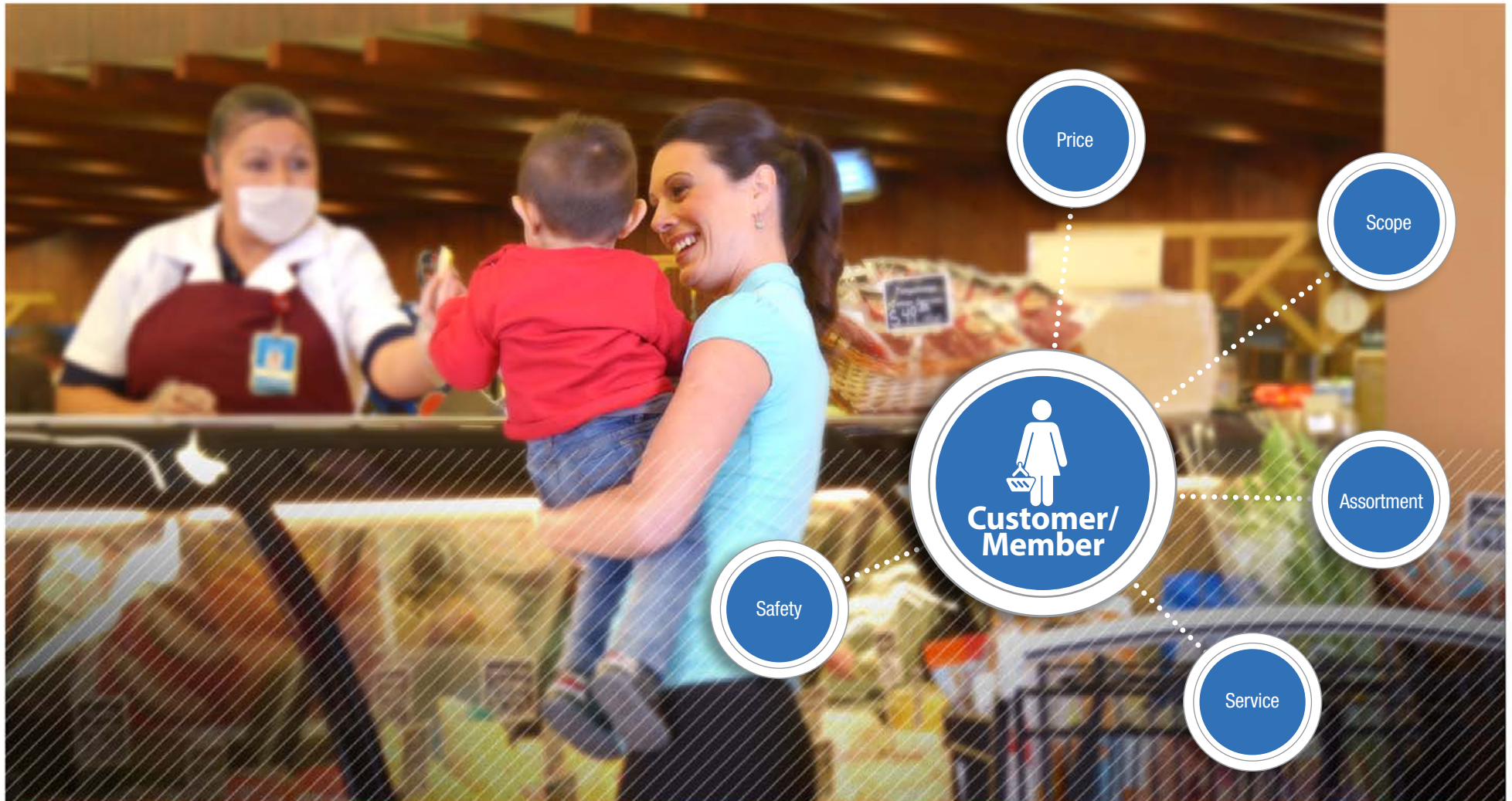
*IFRS = Financial information under International Financial Reporting Standards

**MFRS = Financial information under Mexican Financial Reporting Standards

NA = Non Applicable

2

The customer/member
is first



Given that our customers are the reason why we're in this business, this year we centered our efforts on meeting their needs. In fact, when running various business formats, having presence in 571 cities in the 6 countries where we operate, and dealing with the changing needs of our over 2 billion customers a year, all represent a challenge in obtaining customer insight and opening efficient communication channels aimed at addressing their concerns in an efficient, clear and transparent way. As part of a continuous improvement process, we were able to offer them the lowest prices in the market and the widest assortment, without sacrificing quality or service, thanks to our multi-format approach and in-depth knowledge of their habits and preferences.

Our Every Day Low Prices business strategy aims to help our customers save every time they buy in our stores, thus following through on our mission of improving the quality of life of their families. Throughout the year we completed various pricing programs in our formats, highlighting our commitment of offering them the best value for their money.

Price

We launched a promotional campaign for walmart.com.mx as an alternative channel for our customers

Bodega Aurrerá held its *Precio Bodega* (Bodega Price) campaign to have an aggressive price differentiation vis-à-vis our competitors, benefiting our customers considerably. Its *Morralla* (Small Change) campaign also drove sales by selling clusters of products at the same low price-point so our customers may restock their pantries for less money, helping them during the challenging economic year.

Walmart Supercenter had its *Rebajas* (Markdowns) campaign as a response to our customers' need to pay lower prices for a great variety of items throughout the year, and kept its *Martes de Frescura* (Fresh Tuesday) sale, attracting customers to our stores with appealing prices for Produce. To top it all, and in order to drive online sales, we launched a campaign highlighting our walmart.com.mx site as a shopping alternative for our customers.

Superama had a very successful year after re-launching the format through its *Decidimos ser tu Tienda* (We Decided to Become Your Store) campaign, by permanently lowering the prices of thousands of products; offering freshness and quality guarantees; improving Perishables, Bakery and the selection of gourmet and organic products; and enhancing service. With this, the value proposition of the format evolved and considerably drove traffic and sales.

Suburbia continued offering apparel with the best value, price and quality through its *Ponte Algo Nuevo, Ponte Feliz* (Wear Something New, Be Happy) campaign, which recalls the feeling people get when wearing something new for the first time. The big challenge this year was offering our customers credit alternatives, and therefore we entered into an alliance with Banco Bradesco to launch a private label credit card.

Our emblematic *Mamá Lucha* character was taken to Central America to reinforce our price leadership image in the region. It immediately positioned itself in the minds of our customers as the *Low Price Champion* and the banner for our different discount formats in the region. This was coupled with comprehensive price reductions and wider price gaps regarding our competitors.



Mamá Lucha arrived to Central America this year to reinforce our price leadership image in the region





2,979 units

Openings:

100 in Mexico

32 in Central America

Scope

After opening 132 new units in 2014, at the closing of the year we had 2,979 units and 24 distribution centers throughout the 6 countries where we operate. With this extensive coverage network, we are able to meet our customers' shopping needs. Some 100 new stores were opened: 26 Bodega Aurrerá units; 18 Mi Bodega units; 35 Bodega Aurrerá Express stores; 8 Walmart Supercenters; 4 Sam's Clubs; 8 Suburbias; and 1 Superama. Our installed capacity in Mexico grew by 3.6% vs. the previous year. In addition, Suburbia opened several units in strategic areas of different cities under a new prototype that reached more customers by offering them a differentiated

assortment. At the same time, 32 new units were opened in Central America: 19 Bodega stores; 10 Discount units; 2 Hypermarkets and 1 Supermarket, with which we increased our sales floor by 7.1%.

We not only grew our traditional brick-and-mortar base, but we also offered our customers internet platforms and online applications to buy General Merchandise and Groceries through our walmart.com.mx, superama.com.mx and sams.com.mx websites, offering a greater assortment of products and alternatives to our customers.



3 websites available to our customers





6
countries

132
Openings

2,979
Units

Through this extensive coverage network we meet our customers' shopping needs

24
Distribution centers

100
Openings Mexico



32
Openings Central America

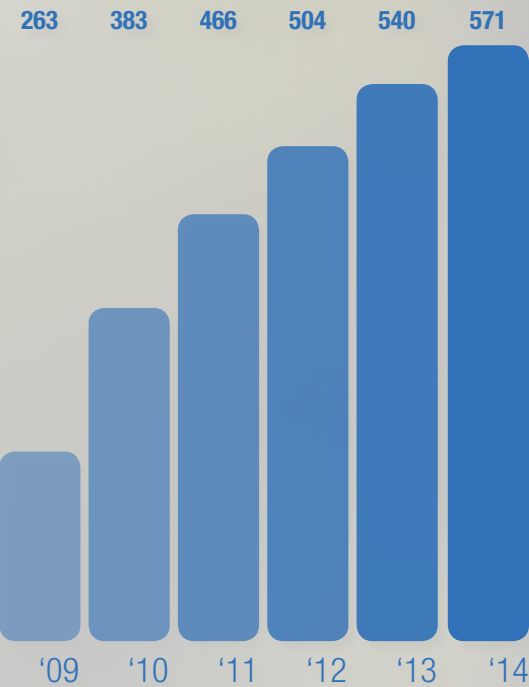


↑ **3.6%** Mexico sales floor increase

↑ **7.1%** Central America sales floor increase

↑ **3.9%** Consolidated sales floor increase

Cities





We improved catalogs in Perishables, Electronics and Babies

Assortment

Throughout the year, our Customer Insight and Analytics department evolved by creating better customer research and communication capabilities, allowing for the alignment with a more suitable assortment and the creation of differentiated, solid business plans per format, yielding great benefits for our customers. We have developed charts that compare demographic and consumption habits at store level. We have also been able to segment our stores per market niche and therefore understand the competitive environment we face with each channel, and in consequence offer our customers the merchandise they need.

We improved the product catalogs in 2014. After reviewing them, we changed them to include the items that meet our customers' characteristics and preferences, especially in key areas such as Perishables, Electronics and Babies.

To complement the initiatives above, we improved our modular program within our Self-service division in Mexico that allows us to select the assortment and stock the shelves in a way that better addresses our customers' needs and drives sales, while regionalizing our products.

An example of how to better address our customers' needs with an enhanced assortment is a campaign focused on healthy items in Food, Fruits & Vegetables in our Walmart Supercenter format, in response to a trend to change to a healthier life style. Several events were also held in the stores to offer customers a wide selection of specialized products, such as items for the *Feria de la Belleza* (Beauty Fair). We enhanced our alliance with Gandhi bookstores to have their selection in 187 Walmart Supercenter stores; and with Lumen Stationery stores to have their business in 5 of our stores, thus meeting our customers' need for certain solutions.



We undertook in-store events offering a wide selection of specialized products



In Central America we improved the assortment in General Merchandise and boosted Food & Consumables

At Sam's Club we centered our efforts on various actions that allowed us to have the products, quality, quantity, and novelty that our members expected. We reincorporated in our assortment those items that were right for the members and that had been deleted from the system; we displayed items in a sustainable package suitable for the club; we corrected inventory levels per item; we focused on the most relevant brands; and we introduced novelty items with greater frequency.

Medimart, our brand of generic medical products, has an extensive catalog to help cure both chronic and acute illnesses. In 2014, Medimart increased its price differentiation vs. patent medicine -benefitting customers who shop in all our formats- and launched 32 new drugs for nervous system disorders, inflammation and cardiovascular ailments.

In Central America, we continue improving our value proposition as we gain ever more insight into the shopping habits and needs of the people in the region. As a result, we have enhanced our General Merchandise assortment and boosted Food & Consumables. Also, we improved the supply to our stores and

continue working on implementing a comprehensive modular process while increasing the sales of imported products, as compared to 2013.

We increased the catalog of our walmart.com.mx site by adding new categories this year. Moreover, apart from providing the service of home delivery for General Merchandise, we now also deliver Groceries and Consumables. We continue working to offer our customers flexible and time saving options through our call center, internet site and mobile applications. Due to the constant improvement of our superama.com.mx mobile application, visits to the site have increased 47%, whereas Sam's Club advantage and business members have found more options for shipping and home delivery, making sams.com.mx a site used by over 400,000 people. Walmart.com.mx visitors increased 92% in 2014 vs. the previous year, thanks to a wider item catalog and an increase in the number of kiosks in our stores, that went from 65 to 156.



92%
traffic increase at
our walmart.com.mx
website





156
walmart.com.mx
service kiosks in our
stores

Service

In order to deliver on our business vision, we need to continuously invest in service initiatives that build our customers' trust and enhance their shopping experience. Based on our multi-format approach, we have developed a variety of programs to address our customers' needs, depending on the format.

At Walmart Supercenter, we devoted our efforts to delivering on our commitment of having associates available for fast service at checkouts during rush hours. Also, we retrofitted more stores with service kiosks for our walmart.com.mx customers, thus helping them obtain better understanding of our eCommerce business.

At Superama, we implemented service protocols to enhance our customers' shopping experience from the moment they enter our stores, by having associates handing them shopping carts in optimum conditions. Also, we placed 6 shopping basket stations at strategic areas throughout the stores, and committed to reducing the time our customers have to wait on the checkout line.

At Bodega Aurrerá, we went above and beyond conventional standards, and created activities to have a good time with our customers both inside and outside our stores, in order to build a connection with them and their families, and make them feel at home during every visit.

At Suburbia, we provided continuity for our *I Love to Serve* program by training over 5,000 associates. As part of this initiative, we developed a new customer service protocol to be conducted at checkouts, and created the position of *Fitting Room Greeter*, who helps our customers with their shopping decisions.

At Sam's Club, we focused our efforts on faster service for our members at checkouts, and on properly cleaned and illuminated clubs. We also worked on having all our associates show the friendliness and skills our members expect when they ask questions about the products they wish to buy. As a consequence, our *Members' Experience Indicator* (IES per its acronym in Spanish) fared better after a quantitative monthly survey was applied and answered by members who had made a purchase during that period, to measure their level of satisfaction with our service. This year we scored the highest since we started applying the survey. This year we created 20 *Centers of Excellence*, that is, clubs operating under high levels of service standards and in all the areas of the club, aimed at building the foundations for a future Sam's Club model. This model mainly considers a high level of execution and member service standards.



20
Centers of Excellence
at Sam's Club





We improved our home delivery service for Superama and Walmart Supercenter

Additionally, we introduced improvement programs to our home delivery service for Superama and Walmart Supercenter.

We monitored execution standards at points of sale to ensure an increasingly better shopping experience for our customers, which is a key factor in growing sales, by making use of our *mystery shopper* and *corporate call center* tools, whose purpose are to make sure service processes in place are followed and thus help Operations implement continuous improvement processes for customer service and item display. These tools work as points of contact with our customers, allowing us to address the issues they raise.

Our customers can reach us at the *corporate call center* or by e-mailing us at miopinion@walmart.com (if in Mexico) or sac@walmart.com (if in Central America). This information is posted at the customer service area in all our units and on our corporate website.

On the other hand, *mystery shopper* is a means by which to measure compliance with service standards at the point of sale, by applying questionnaires to a random sample, assessing issues such as cleanliness, atmosphere, checkout, service, freshness, assortment, and variety.

We also permanently assess our customers' perception of their shopping experience and value with a monthly monitoring of brand positioning and price perception, compliance level, and characteristics of the value proposition per format.

We evaluate our customers' shopping experience and value perception on a permanent basis





We signed agreements with the Secretary of Health and the Federal Commission for the Protection Against Health Risks

Safety

Customers currently demand that companies be held accountable for the sourcing of the products they sell. Since we are living in an age of transparent communication, and since we have full confidence in our operations, we have kept a step ahead of issues that concern our customers by executing several agreements with the Secretary of Health in Mexico:

- Agreement for the timely detection of clenbuterol in meat. We committed to participating in a program that entails consistent monitoring of meat products.
- Agreement to deliver medication in case of an emergency, so that our pharmacies can function as fast, timely, and free distribution channels for medication against influenza.

In addition to the agreements above, a health promotion agreement was executed with the Federal Commission for the Protection Against Health Risks (Cofepris, per its acronym in Spanish) to govern Pharmacy operations and the adjacent physician's office.

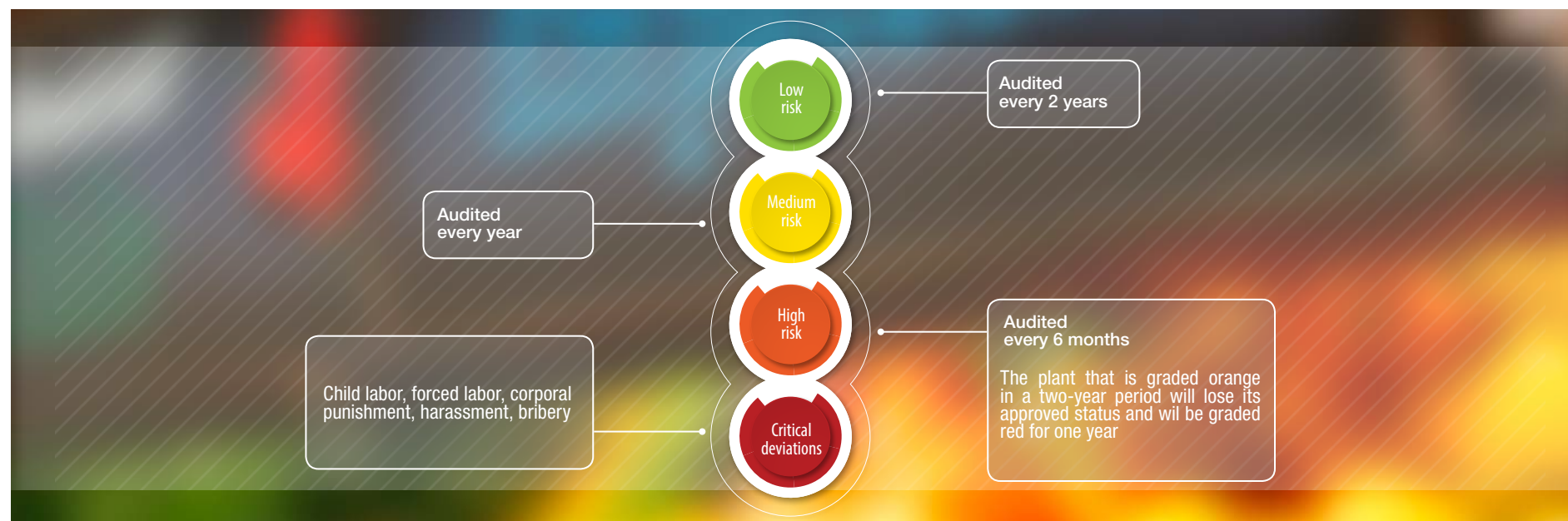
In Mexico, we work hand in hand with the Consumer Protection Agency (Profeco, per its acronym in Spanish), in charge of taking care of consumers' interests, and have become the only self-service company that has executed the following:

- A cooperation agreement was signed since 2013 to implement better business practices in our stores for customers to be able to buy safe products that won't pose any risks to their safety, health or even life.
- An agreement to cooperate with Concilianet [a conciliation institution] was signed since 2012 to set up the basis for the use of this institution's internet site. We agreed to receive all citations and information stemming from conciliation proceedings, via our e-mail address.

We have a global program in place that entails having independent third-party auditors validate our compliance with labor, safety and environment standards, pursuant to local legislation. The program includes subject matter experts who will classify factories as per risks found during audits. There are 4 kinds of classifications, with differing frequency for a second audit to be scheduled, depending on the risks involved in each of them:

In Mexico we work hand in hand with the Consumer Protection Agency

Audits classification



We guarantee quality and compliance for the products we sell

Adherence to quality and compliance standards for the products that we sell our customers is ensured by checking the safety, the source of the supplies, and compliance with the law.

We also verify that absolutely all suppliers for our private label products and internal supplies for our stores, and their production centers have timely audits regarding the following items:

- Good manufacturing practices
- Quality systems
- Process controls
- Training

- Pest control
- Facilities
- Risk analysis and control of critical points

Moreover, we created the Consumer Protection and Privacy areas, reporting to the Vice President for Compliance, who must design related policies, procedures, and programs to be in compliance with the law. Each area in the company has a *Privacy Ambassador* in charge of defining its action plans.

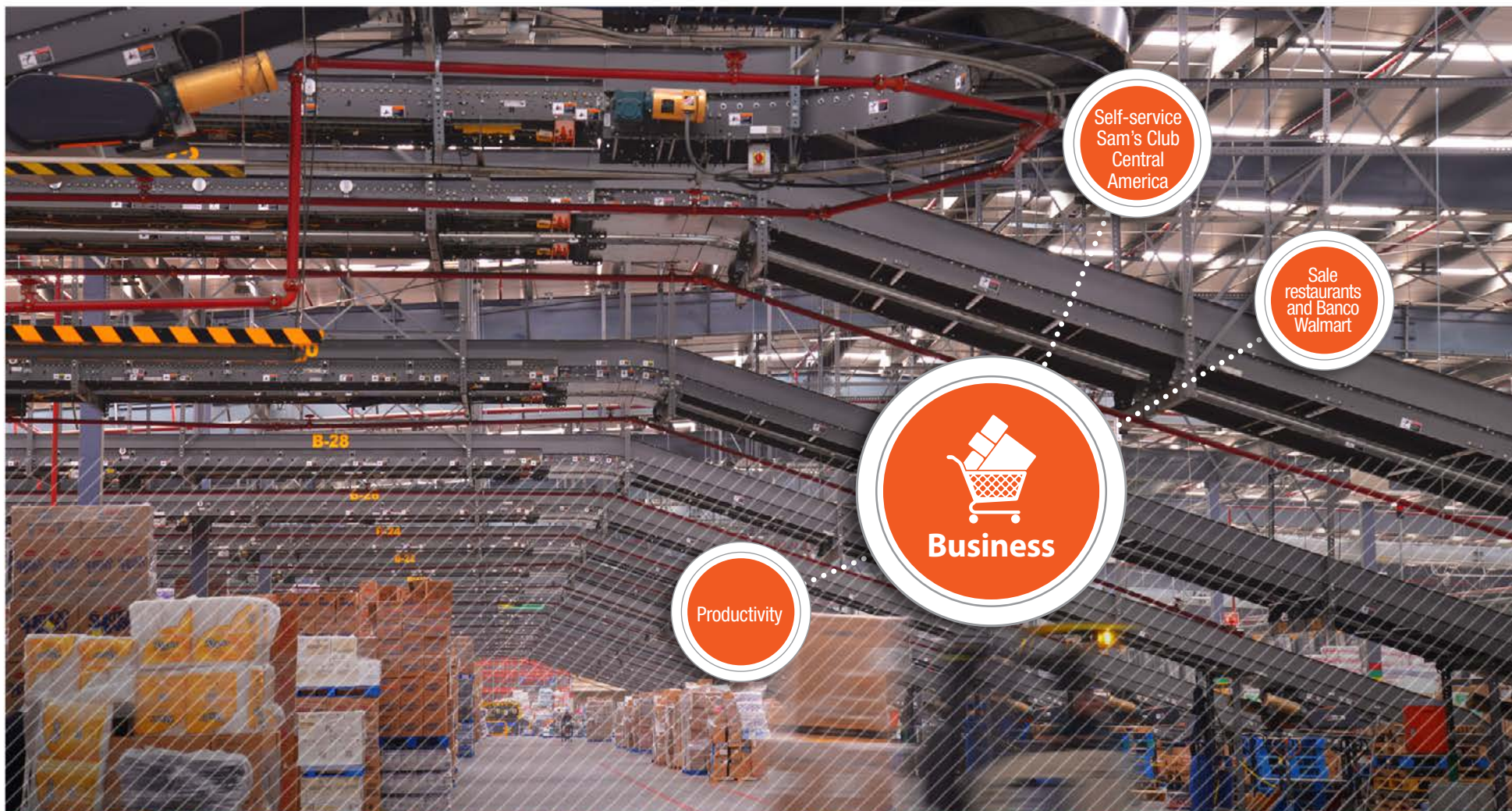
We created the Consumer Protection and Privacy areas





3

Business simplification and productivity



Walmart de México y Centroamérica focuses on building an increasingly efficient operation with the goal of responding to the changing and growing needs of the market. Our efforts this year have translated into the simplification of store, distribution center and office processes. Likewise, we were able to achieve considerable savings in labor expenses and in energy use. These initiatives, together with the sale of our restaurant division and Banco Walmart, have enabled us to cut operation costs and concentrate all our efforts on the retail business and therefore follow through on our commercial strategy and offer our customers Every Day Low Prices.

The low prices we offer our customers are a reflection of the initiatives we implement each year to achieve greater efficiency in the execution and operation of our activities.



4.2%
increase in units per
labor hour vs. 2013

Productivity

Our stores have a series of projects that were developed to improve headcount management and distribution, making changes in the number of hours per activity so as to better meet demand. These projects have brought about enhanced efficiency in our units. At the store level we have accomplished improvements in several indicators. We grew 4.2% in units per labor hour, as compared to 2013; this is equivalent to more than 27 million hours in savings. Moreover, on-shelf availability increased 80 basis points more than last year.

In 2014 we simplified processes to increase productivity in Logistics, thus reducing the number of empty hauls by 16.2%, lowering our cost per case transported below national inflation levels and at the same time reducing the environmental impact of our operations. As a result, we are among the 3 companies recognized in Mexico by Semarnat –the Secretary of the Environment and Natural Resources– and by the SCT –the Secretary of Communication and Transportation– with the *Clean Transportation* award. We transported over 900 million cases through our distribution network, traveling more than 200 million kilometers in over 700,000 hauls.

New refrigeration and lighting technologies have been incorporated to reduce energy use in both new and existing stores. These actions resulted in approximately 42 million kWh in savings.

Different initiatives in Systems have helped to simplify internal processes; once redesigned they are automated so as to achieve operating efficiencies. The technological capacity of our Company has been renovated, with the purpose of offering enhanced services and adapting to the changes in this industry.

This year we worked on a program for equipment replacement in stores, thereby reducing the incidence of device failures by 30%, as compared to last year. The Data Centers in our home offices underwent a 20% improvement in energy efficiency.

This year we received –ISO 9001:2008– *Quality Management* certification from The British Standards Institution, because of the Fonacot Loan Payment Compliance. With this latest certificate, we now have ISO certifications for a total of 16 processes in the areas of Logistics, Administration and Finance, Accounting, Operational Finance, and Payroll Taxes. Since last year, 6 more processes have migrated to our Shared Services Center for Latin America, located in San José, Costa Rica. These accomplishments are in line with our commitment to have efficient and certified processes, making Walmart de México y Centroamérica an increasingly productive company.



16.2%
reduction in empty
hauls



**In Mexico we
developed expert
buyers by category**

Self-service division, Sam's Club, and Central America

In keeping with our stated strategy of simplifying the business, in 2014 we bore the fruits of having centralized Merchandising with the Self-service division in Mexico. With this adjustment we developed expert buyers by category, capable of conducting the best sort of negotiation with suppliers, which translates to more and better savings for our customers. In parallel, we announced pathways towards reinforcing Sam's Club and recouping its value proposition, thus producing visible improvements in this format's results. A strategic plan with sights on the next few years was created in response to the areas of opportunity that were identified. We created solid groundwork, which by the end of this year will resort in enhanced results. The plan is to drive those initiatives that proved effective and to implement them in all our clubs throughout 2015. All this will provide us with the tools

needed to innovate and position ourselves as the best warehouse membership club in Mexico. On the other hand, the excellent performance achieved in Central America is a testimony to the successful integration of the region through the unification of processes, systems, and format standardization.

Our self-service stores were able to increase units per labor hour by 4.8%, equivalent to more than 22 million hours in savings. By the same token, we saved more than 32 million kWh, equivalent to a reduction of 2.3% in energy used during 2013. The implementation of assortment improvements and a more robust modular program served to create efficiencies in inventory management, thus providing a product mix more in line with the needs of our customers.



**More than
32 million
kWh saved in
Self-service**



This year we announced changes to reinforce Sam's Club

The organization changes in Sam's Club were performed to support the strategy, by:

- Adding a second Vice President for Merchandising, in charge of Groceries, Consumables, and Perishables, focusing on key traffic-generating areas.
- Creating a position for Director of Membership, so as to drive the attraction and retention of members through aggressive member acquisition programs and increase our member base.
- Implementing a new commercial planning process whose purpose is to better align Merchandising, Membership, Marketing, and Operations. This process will enable us to have the right products for our members through insight on how they think, communicate and execute, and then exceeding their expectations.

Nighttime receiving and storage has been implemented and in this manner our clubs are ready with the merchandise our members want to find, without affecting service. Changes have also been made to our packaging, such that items are been designed especially for us, thereby helping our members, and also our associates in product handling in the clubs.

We are fully aware that Central America has considerable potential for improvement in the field of expense reduction, so we undertook successful productivity initiatives at the store and distribution center levels. Those initiatives which proved useful in matters concerning work management are being implemented, distributing activities when and where needed. There are also programs now in place that reduce energy use, optimizing efficiency. Likewise we invested in the placement of curtains on refrigeration displays, and in new, more energy-efficient technologies for both existing and new stores.

We saved over 300 thousand hours through efficiencies at the checkout points in stores



80 million pesos in savings through productivity initiatives in Central America

Regarding labor, we have made use of a tool known as *Sister Stores*, whose purpose is to identify improvement opportunities by comparing indicators within similar stores. Efficiency improvements were also achieved at the front-end, with a 4.7% increase in units per labor hour, which represents savings of over 300 thousand hours. Labor and energy-related productivity initiatives have meant more than 80 million pesos in savings, a clear reflection of the excellent performance in expense control for the region.

Sale of the restaurant division and Banco Walmart

This year we devoted resources to adapt our value proposition to the ever changing market. Strategic decisions were made with the intent of concentrating our efforts on the retail sector and providing solutions that our customers currently seek.

In mid-2013 we announced the sale of our restaurant division -comprising Vips, El Portón, Ragazzi, and La Finca- with the transaction approved this year by the corresponding authorities.

Moreover, late in the year, we communicated the agreement reached with Banco Inbursa, concerning the sale of Banco Walmart, and the creation of a commercial alliance that will enable us to have a competitive offering of credit in our business formats. We are convinced that these initiatives will produce an increase in sales and improve the shopping capacity of our customers.

We made strategic decisions to focus on the retail sector



4

Future growth



Being a company with a broad investment horizon motivates us to continuously make our best effort and provide long-term solutions for our customers. The successful multi-format strategy that serves as the basis for our operation pushes us to continue growing our presence in the region, both in large and small formats. In fact, we are further developing our capacities in the ever expanding business of eCommerce, which will become a crucial element for the growth of our Company and, more importantly, an alternative for our customers when shopping.

Large formats have been the means to take our value proposition

Large formats

México and Central America have different demographics, preferences, and income levels. That is why our multi-format platform provides the necessary flexibility to meet the needs of different population sectors. Our large business formats, consisting of self-service stores and membership warehouse clubs, for many years have been the means to take our value proposition to all our customers throughout the region.

One business format that has been around the longest is Bodega Aurrerá, which provides basic, staple goods and household items through a price-based approach. Since 2004 we have been able to take this value proposition to the smaller communities in Mexico under the banner of Mi Bodega. In Central America, *bodegas* are the newest and fastest growing format. During the last year, 19 new units have been opened throughout the 5 countries, thus operating a total of 94 stores. At the close of the year, a total of 863 *bodegas* are in operation throughout the region.

Our Walmart Supercenter hypermarkets support those customers that look for assortment and low prices, finding a wide variety in Groceries, Perishables, Apparel, and General Merchandise. As of

2013, the value proposition for this format is supplemented through its eCommerce platform walmart.com.mx. We currently have a total of 273 of these units operating in Mexico and Central America.

The supermarket format presents a value proposition based on quality, convenience and service, offering a broad range of basic and differentiated products. Under the banner of Superama in Mexico, Más x Menos in Costa Rica, La Unión in Nicaragua, La Despensa de Don Juan in El Salvador, and Paiz in Guatemala and Honduras, we are always finding new ways to serve our customers. In Mexico we initiated the home delivery of Groceries, through orders made over the phone, with our website superama.com.mx, or via mobile device applications. By the end of 2014 there were a total of 189 supermarkets operating throughout the 6 countries of the region.

Our warehouse membership clubs focus on being leaders in price, volume, and new and differentiated merchandise for businesses and homes. Once again, the eCommerce channel of sams.com.mx serves as an alternative way to shop for our advantage and business members. We closed the year with 160 clubs in operation in the 6 countries of the region.



Bodegas are the fastest growing format in Central America





Discount stores:

45 openings
1,368 total

Small formats

Our small formats respond to our evolving customers and their changing needs. Bodega Aurrerá Express –formally beginning its operations in 2008- is a chain of discount stores aligned with Bodega Aurrerá prices and whose specialized product catalog focuses on providing solutions to our customers regarding their daily pantry replenishment needs.

This format has helped us gain market share from the informal sector in the country –representing 52% of the retail channel- thanks to the value proposition based on low prices and convenience, features which have clearly driven sales growth above the overall industry. In 2014 alone, we added 45 stores in the regions, making it a total of 1,368 units in full operation.

eCommerce

In Mexico, eCommerce is still small when compared to other markets, however, with ever growing numbers of users online and with mobile platforms. At Walmart de México y Centroamérica we have set the goal of becoming a market leader in this business, leveraging our sound competitive advantages.

During 2014 our customers continued honoring us with their preference via 3 distinct portals: walmart.com.mx, superama.com.mx and sams.com.mx. According to Comscore data, Walmart de México y Centroamérica is the retailer with the largest number of unique visitors in the sector, thus proving the leading position we are building in a strategic market for future growth.

We reinforced the supply chain used for our eCommerce business, broadening the distribution center currently operated by adding greater storage capacity and infrastructure to support the growth in sales we are experiencing.

In response to the evolution in eCommerce that our country is undergoing, in 2014 we designed metrics capabilities for the digital market and we have progressed in the understanding of purchasing cycles regarding brick-and-mortar and digital stores. This will be key knowledge for the development of insight in the future.

The large physical presence of our stores throughout Mexico is a competitive edge that helps in promoting our business online through more than 150 kiosks set up in our Walmart Supercenters. With these, our customers have the option of selecting the merchandise they want, paying, and then picking up their merchandise at the store, thus constituting yet another way for customers to shop.



We broadened our distribution center dedicated to eCommerce



5

The best talent



The associates working in our 2,979 units, 24 distribution centers and home offices, share a common culture based on customer service, respect, integrity, and striving for excellence, thus enabling us to have a customer-centric operation, achieve the Company's results, encourage innovation, and exert the execution capacity which characterizes this Company.

85 million
pesos invested
in training

Associate development

Promoting and developing our associates is a key success factor within *Walmart Culture*. Our efforts begin by attracting the right talent to strengthen the business; our diversity policies allow us to focus on the best candidates, whether they are or not local residents. The hiring process consists of interviews, selection processes, psychometric tests, interviews with the business committee, economic offer, document submittal, candidate file integration, entry into the work force, welcome, and the on boarding process.

The most important talent pool initiatives, used to identify future leaders are:

- Trainees: contributes to the acquisition of high-potential undergraduate students. As students complete their studies they work in different areas of the Company.
- MBAs: supports the integration of Mexicans who study an MBA abroad, inviting them to lead a strategic project for 3 months during the summer; after completing their studies the most outstanding students are integrated to different areas of the Company.

Our talent development programs are focused on the following areas:

- Training that targets our Operations and Staff associates throughout all levels of the Company, aimed at developing their leadership, team work, negotiation and technical knowledge skills. We have the Walmart Training Center offering live or on-site training; the Comprehensive On-line Learning Management System, which includes individual and group development plans; and Walmart TV, our internal TV channel covering the entire operation.
- Scholarship programs for undergraduate and graduate students, supporting the development of executives that are identified as *Top Talent*, enabling them to begin or complete their professional studies through these scholarships for up to 4 years or Diploma courses for up to 2 years.
- Coaching and mentorship programs are aimed at boosting high-potential associate development through an internal or outside expert.

- Compensation and performance evaluation system, especially designed to encourage and acknowledge development of critical competencies for our business, in line with job requirements, and always result-oriented. The evaluation covers annual and six-month individual development; in addition, 360° multidimensional performance evaluations and executive calibrations are carried out, thus being able to identify real talent and design development plans.

In Mexico, we have consolidated the *Merchandising Academy* to help achieve talent specialization devoted to the knowledge of our business and customers, based on *Walmart Culture* principles. This year we conducted:

- Courses for more than 1,300 buyers on leader training, operation compliance, and training for basic merchandising programs, among others. We implemented a new course called "Category Assortment Training" for more than 220 buyers to provide them with tools needed to create appealing merchandise assortments for our customers; and
- Training for 38 Merchandising trainees, who graduated as assistants in Merchandising and in Replenishment, therefore meeting the commitment of generating new talent with high potential and guaranteeing continued availability.

The *Operations Academy*, on the other hand, seeks to develop operators acknowledged for their leadership and professionalism in process execution; customer-satisfaction focus; adherence to business results; and commitment to their comprehensive development and that of their teams. In 2014, new educational models and learning paths were created, as well as the integration of current and new programs, which will be implemented in 2015.

The first generation of Merchandising trainees graduated this year, and the first Operations generation will graduate in 2015 in Central America. In addition, we incorporated 78 talented associates from the Business, Operations, and Replenishment areas to our 2014–2015 trainee programs.

We trained 11,374 associates from Operations and other critical business areas, through our *Operations and Business Academy* and our *Business Foundation* program, thus providing them with the necessary abilities to boost their merchant spirit and align processes, roles, and ways of operating.



**The first generation
of Merchandising
trainees graduated
in Central America
this year**



**We trained
11,374**
associates from
Operations and other
critical areas of the
business

25,283
associates promoted,
51% of which are
women in Mexico
and 34% in Central
America

The figures presented in this chapter include Banco Walmart.

Diversity and equal opportunities

17,466
associates trained
in Equality and
Inclusion

Integrating diverse talent is instrumental to encouraging innovation and obtaining better results since diversity itself better represents our customers.

Our 6-year-old Equality and Inclusion Initiative is driven by the Equality and Inclusion Advisory Board. Consequentially, 1,015 executive positions are now held by women. This program uses specific metrics to follow up on its efficiency in each and every vice presidency of the Company, placing special emphasis on:

- Policies and procedures for talent attraction, development, and training.
- Cultural transformation aimed at reinforcing awareness and knowledge.
- Training and development, highlighting our *Special Certificate Program for Female Executives*, offered by the Panamericana University, where our fifth generation graduated in 2014, and the *Taking the Stage* course, given by women in executive positions.

The Company uses a pay band system that rewards the individual performance of each associate who are evaluated each year based on successful behaviors and results.

In positions having equal responsibilities, there are no distinctions in pay due to gender, age, religion, sexual preference, or political ideology.

The *Gender Equality Model* of the Company has been assessed since 2009 by the National Institute of Women in Mexico, granting us recertification for 2014.

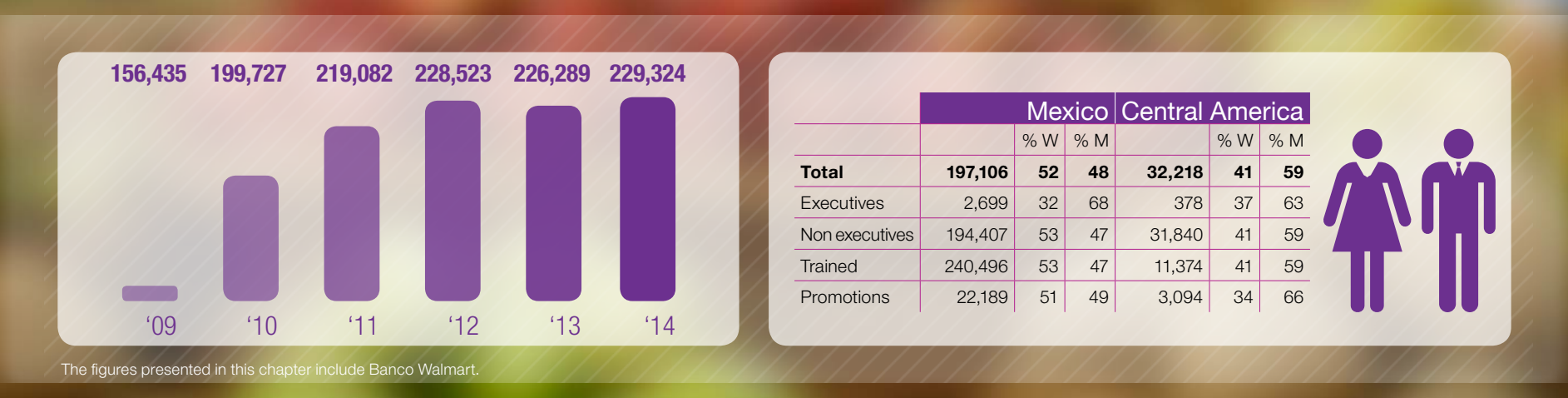
Noteworthy is the *Women in Retail* program in Mexico, seeking to develop self-management, leadership, and commitment skills and an outstanding attitude in women who participate for a period of 3 years; this program is part of their development plan. Participants obtain comprehensive development, through experience, exposure, education and mentoring. *Women in Retail* has proven to be a key piece in the acceleration of talent development by using tools such as meetings, conferences, lectures and dialogues with leaders, among others.

In Central America the *Women Leaders Group* is a program aimed at empowering women in leadership positions and supporting home offices; 196 associates graduated from such program. With the participation obtained this year, we achieved approximately 90% coverage of leadership positions at stores. This program will be strengthened next year so that these same women may continue their career path, starting with mentoring circles.

254 women
associates
participated in the
Women in Retail
program in Mexico,
and 196 women
associates
participated in the
Women Leaders
Group program



Associates



Employment and working conditions

Walmart de México y Centroamérica offers a working environment where associates can work effectively and reach their full potential. We are all responsible for creating an environment of respect and trust, and promote a positive work environment, however it is necessary to have labor standards, which are the basis for the generation of policies, processes and programs that support human resources management and focus on the following aspects:

We practice the culture of integration, respect for the individual, service and strive for excellence

- A work environment where we encourage a culture of integrity, respect for the individual, customer service and striving for excellence.
- No discrimination whatsoever on grounds of race, color, age, gender, sexual orientation, religion, disability, ethnicity, nationality, marital status or any other status protected by law.
- Total rejection and prohibition of child and/or forced labor.
- Health and safety conditions to ensure the associate safety.
- Salaries higher than the minimum required by law.

- Respect for work schedules, days off, regular and overtime pay, and all fringe benefits to which they are entitled.
- Equal development opportunities.
- Open and confidential channels of internal communication for claims regarding violation of any of the points described in this section.

Dialogue with associates

At Walmart de México y Centroamérica we firmly believe that the growth of a successful company requires active involvement by its associates. We conduct an annual commitment survey that allows our associates to express their opinions on where we need to improve; on its leaders and how they live the *Walmart Culture*; and on the basic points that build the work experience. The survey is administrated by an independent service provider who takes charge of concentrating the individual responses. These are treated as confidential and results are reported as a group.

Our associates fill out a commitment survey every year



40% in energy savings at work spaces

The results obtained this year place us above the benchmarks from a study conducted of other companies set up in countries where we operate, and where this survey is also applied.

Feedback sessions held in all areas of the company as a result of the survey, allow for open and constructive dialog aimed at achieving better work environments and detecting areas of opportunity. The results from these sessions are then converted into action plans.

Work-life balance, health and safety

In 2014 we focused on improving work areas with better lighting which, in addition to saving 40% in energy costs, creates a better work environment, reducing fatigue and stress. In addition, we improved the offerings of healthy meals in our dining areas and remodeled all restrooms.

Thanks to our program for quality-of-life transfers, we were able to move 7,466 associates to work centers closer to their homes.

7,466
associates moved to
units or work centers
closer to their homes



11 million pesos to support associates during natural disasters

Since its inception, the *Work-Life Balance* initiative has focused on promoting a healthy and family-oriented life. This program includes agreements to facilitate or reduce expenses related to education, different services, and entertainment activities for all our associates. Thanks to these negotiations, 207,541 associates were able to save the equivalent to 41 million pesos.

71 education agreements

encompassing schools, universities, language classes, books, and daycare services

30 agreements

regarding funeral, real estate, automotive, and dry cleaning services

27 entertainment-related services

for movies, theaters, museums, vacation centers, and parks

In work-related services, there are different programs, such as:

- *PrevenIMSS*, which offers conferences on different health-related issues, such as smoking, cancer, and HIV, in addition to launching campaigns related to health and influenza vaccines. With this program, 27,164 associates were benefited in Mexico.
- *Walmart in Action*, which focuses on 4 basic themes: physical activity, emotional health, personal finances, and nutrition.
- Distribution of healthy menus created by the Mexican Social Security Institute –IMSS.
- *My Sustainability Program*, which provides staff associates different ideas to improve habits that can lead to a positive change in their quality of life and also help the environment.
- Medical consults in home offices, and nutrition services through which over 21,318 associates in Mexico were benefited.
- Breast-feeding rooms at the home offices.

In 2014, associate support programs during natural disasters assisted 796 associates and their families with 11 million pesos for recovery of belongings.

Flex-time programs offer the possibility of improving work-life balance through the following elements:

- Post-natal for mothers and fathers: allowing mothers to phase back into work gradually, through the first 7 months of the newborn's life; foster greater involvement of fathers by allowing them to work a 6-hour day during the first month of the newborn's life.
- Operations associates: this includes different policies such as no changes to the work shift during the nursing period; special working hours for students; quality-of-life transfers; fixed working hours for single parents; additional time off each quarter; and one weekend off each month.

We consider safe working conditions a fundamental responsibility. Accident prevention programs describing the measures and actions to be undertaken in different circumstances have the support of a team of experts in health and safety, and they conduct constant audits and implement any improvements needed in all units and distribution centers. Based on this, we document and disseminate good practices, which are supplemented by training, proper equipment, and communication campaigns aimed at the nature of the work being done.

Human Resources, a business partner

Human Resources is devoted to being a key business partner for the Company through innovation, efficient management of information, and ensuring the proper enforcement of work standards, as per compliance programs.

The HR *Scorecard* was created with this in mind. The purpose is to assist the business in decision-making and in assessing strategies through detailed information, indicators, and by analyzing all HR variables such as: headcount evolution and distribution, mobility, promotions, gender equality, turnover, and labor investment, among others.

As of 2013, organizational redesign was conducted to achieve greater efficiency through horizontal structures that could accelerate decision-making processes. By simplifying procedures and policies, daily operations become more agile and productivity increases in all areas of the Company.

The Scorecard assists the business in decision-making and strategy assessment



6

Supplier development



Our 26,653 suppliers, including those of internal supplies and of merchandise for sale in stores, are our business partners, hence their development, customer knowledge and sustainability practices are foundational pillars to provide the best product assortment at the best market prices.



26,653
suppliers in
the region

Supplier management

The Senior Vice President for Self-service Merchandising, made up by the Perishable, Apparel, Groceries, General Merchandise, Consumables and Pharmacy Vice Presidents, and Supplier Development Direction, supports relationship with our suppliers. In addition, our Compliance area monitors the quality of products and compliance with regulations in force, as described in *The customer/member is first chapter*.

Strengthening our merchants' capabilities is critical for the development of a sound relationship with suppliers to have the best products in our stores. In 2014, the Merchants' Academy prepared 1,670 merchants. In addition, *Retail Link* is a platform that allows suppliers analyze their performance on product sell-thru at a national and local level, thus providing information for better planning their business.

The work performed with suppliers on programs for better modulars, packaging efficiencies to increase space productivity and product development of private label leads to a long-term business vision. Consequently, this relationship provides a good pathway to cooperate on other activities such as environmental initiatives to contribute reducing production, packaging, and distribution impacts on environment, as described on the *Environmental care chapter*.

Logistics capacities developed and enhanced by the Company allows suppliers to take their products more efficiently to points of sale in the 6 countries where we operate throughout the our 24 distribution centers.

74%
of our suppliers are
SMEs in Mexico and
64%
in Central America





25%
increase in sales as
part of the *Adopt a
SME program*

Supplier standards

The relationship with suppliers of services and of merchandise for sale in stores is covered under the agreement governing the commercial relationship, including clauses related to ethical behavior, anticorruption and labor and environmental liabilities as well as the law in force, according to lay the suppliers agree:

- Full compliance with the law and regulations in force, including those governing labor-related issues, immigration, health and safety, and the environmental, among others.
- Ensure voluntary hiring.
- Prohibit child and forced labor.
- Legal compliance regarding the number of hours per shift and days off for workers.
- Implementation of hiring and employment practices that provide information on employees and maintain policies and practices on salaries, terminations, training and work condition.
- Respecting the right of workers to peacefully and legally join the labor unions of their choice, and to collective bargaining.
- Ensure that all that all their practices comply with environmental legislation regarding water, air, and waste, as well as all raw materials come from legal sources.
- Accurate record keeping on all financial information related to commercial ties with the Company.
- Providing all workers a safe and clean working environment and taking the preventive measures needed to mitigate accidents.
- Compliance with the Company right to audit/ or verify at any moment and without prior notice.

Small, middle-sized and low-income local suppliers' development

Due to the fact that one of our main strengths lies on our close relationship with customers and the location of our stores, we have become a development channel for most of the suppliers in the countries where we operate, as a consequence, we are a trigger of sales, income and employment throughout the region.

Derived from our purpose to include more and more small, middle-sized and low-income suppliers, including handmade, industrialized and agricultural products, we have designed in all the countries we are present a training, financing and market access program that allows them to sell their products and have a better understanding of customers, thus strengthening their capability to trade their products in the self-service business and be aware of their competitors. In addition, we foster companies to adopt practices on efficiency and planning, developing their business skills.



Over 7 billion
pesos in sales in the
One Hand to Grow
program





Over **5.5 million** pesos in sales as part of the *Small Producer, You Can Count on Us* program

As a consequence, we have developed operative platforms to make the sustainable supplier access to make it last long and grow in the Company, as well as increasing their capability to grow in other markets. Based on the supplier nature, such platforms include purchases administration, logistic costs, payment terms and supplier growth, through programs known as *A Hand to Grow*, in Central America, and *Small Producer, You Can Count on Us* in Mexico.

In Mexico *Adopt a SME* is a program that aims at supporting SMEs so they are able to increase their sales and develop their operative, financial and logistics capacities through the Merchandising and Supplier Development areas. The program considers a set of benefits and liabilities for participant suppliers as well as commitments on the side of the areas involved. The goal is to achieve at least a 50% sales growth in 18 months for SMEs at a Company level.

The program *Women Owned Business* is a global initiative that aims at empowering business women, by providing them more access to markets and tools to make their business grow. The goal in Mexico for 2016 is to double the purchase volume made to business women vs. those recorded in 2011.

Business women included:

2011	2012	2013	2014
80	87	99	100

On the other hand, development programs for agricultural suppliers, *Direct Purchase from the Field*, allows small, middle-sized and social suppliers improve their agricultural practices and business, increase their productivity, boost their quality, favor planning, broaden markups and, as a consequence, grow their business. The additional impact of this project on environmental protection and better work conditions in the field is certainly exponential for producers and their regions.



84% increase in sales in the *Women Owned Business* program



Producer development platform

SMEs			Social organizations of low-income producers	
	Manufactured products	Farm producers		Handcraft producers
Producers selling in stores	409	1,419	2,525	8,081
Producers under development	10,193			
Development platform	Corporate training			
	Consultancy on requirements to become a potential supplier			
	Access to funding programs	Training on agriculture and productivity practices	Social base line assessment, <i>Social Case</i>	
	Sales consultancy	Quality standards	Business potential evaluation for the producer, <i>Business Case</i>	
	<i>Retail Link</i> consultancy		Field assessment of the product protential	Product advice
	Synergies with third-parties to decrease costs on software installation		Training on product quality, agricultural best practices, after-harvest administration, logistics and delivery	Packaging, logistics and delivery training
			Sowing plan with the Merchandising area	Product and training funding
Commercial and operative platform	Program communication and signing on the sales floor			
	Dedicated structure		Merchandising, Perishable and Walmart Mexico Foundation dedicated structure	Walmart Mexico Foundation dedicated structure
	Buyers with goals per category			Sales objectives shared with operations areas
	Shared product promotion program	Open-book purchase		Profit 100% refund through donations
	Distribution costs with discount	Plus cost	Purchase preferential cost	"Zero" distribution costs
	Performance follow-up	Intention to buy letter		No returns
	Preferential payment conditions		Discounts on distribution cost	Facilities to change market/ business format to better fit the product
			Producer total access to product data sheet	Preferential payment conditions
			Follow-up on rejection rate	
			Payment in less than 7 days	
Social producer developmentt platform with multiplier and inclusive corporations				



Amaranto de Mesoamérica para el mundo was the best social supplier of the year in Mexico

During SMEs presentations included in *Expo Walmart* in Guatemala and Mexico, associates in the Merchandising areas have the opportunity to know and drive the products of such suppliers.

In addition, the supplier development programs have structures exclusively devoted to work with the Merchandising, Perishable Merchandising, Logistics, Operations and Corporate Affairs areas to accelerate their processes and increase their potential.

Every year suppliers in the region are awarded on account of their outstanding performance under several categories, including SMEs, social corporations and suppliers with exceptional environmental initiatives.

The products that participate in the *Small Producer, You Can Count on Us* program are marked with a seal and receive communication support on the point of sale. In addition we use the social media to communicate the producer's stories. Besides, including these products in our home deliver services has allowed our customers to know the product, hence increasing their sales.

Dialogue

Supplier communication improves our relationships in the benefit of our customers and is an opportunity to know their concerns and ideas. This is the reason why we have developed several permanent communication channels:

The Supplier Advisory Board: made up of 14 companies in Mexico and 64 in Central America, is a space created to exchange ideas and encourage best practices that increase competitiveness.

Supplier and Ethical Hotlines: run by areas not related to merchandising, suppliers can make specific suggestions and file complaints regarding non-compliance ethical standards.

The supplier survey: this is an annual evaluation mechanism with representation from large, small and middle-sized companies. It evaluates and identifies key aspects to improve commercial relationships, increase efficiency and improve in-store execution.

Dialogue sessions: these *Top to Top* meetings are an open dialogue space with suppliers. In Central America there were 34 additional meetings with executives and 18 global and regional suppliers for the Consumption and Groceries divisions. In Mexico, we coordinate the *Win* institutional program, striving to increase collaboration with our most important suppliers to leverage accelerated commercial growth.

83%
increase in sales in the Small Producer, You Can Count on Us program on our online sales websites





Contribution to the community



Walmart de México y Centroamérica is present in 571 cities throughout Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Mexico. Its interaction with local communities leads to close relationships that mainly focus on reducing operations impact and generating value to communities, thus becoming a valuable community member.

Donation guidelines

Community support throughout the region consists on providing financial and in-kind support, offering the commercial platform to small producers as well as promoting volunteer work among our associates, their families and our customers. The Company has transparency and anticorruption guidelines and mechanisms that guarantee the compliance of the corporate purpose for which resources are granted.

In Mexico, Fundación Wal-Mart de México, A.C. is a non-profit organization through which community support is channeled. The Foundation has a Board made up of 11 members, 5 of which are independent counsellors who meet every quarter.

Board members of Walmart Mexico Foundation at March 12, 2015		
Name	Independent	Related
Enrique Ostalé (Chairman)		●
Manuel Álvarez		●
Mercedes Aragonés	●	
Karina Awad		●
Roberto Delgado	●	
Jorge Familiar	●	
Rafael Matute		●
Alberto Sepúlveda		●
Marinela Servitje	●	
Martha Smith	●	
José Luis Torres		●

In Central America, community support is provided in each country under the responsibility of Corporate Affairs areas and the Corporate Responsibility Committee, which meets twice a year.

Donation policies and process in Mexico include:

- Temporary public on-line notice, containing defined criteria on the causes and desired social impact as well as the requirements that organizations likely to receive donations are to meet.
- Project evaluation by a Pre-Selection Committee made up by academy members and company executives not-related to the Foundation.
- Pertaining law accomplishment review and adherence to anticorruption mechanisms.
- Review and voting rights by the Board of Walmart Mexico Foundation on the projects best evaluated by the Pre-Selection Committee.
- Contract preparation processes, including both anticorruption and project development clauses.
- Social impact indicators follow-up through electronic systems and field visits.

As for in-kind donations, grantee selection is based on installed capacity and social impact generated. In these cases, a review on the compliance of local regulations is performed as well as the application of anticorruption mechanisms and contract.

The donation control electronic system allows us to obtain information on the institution and the project as well as to gather social impact indicators.

In Central America, the process is under the responsibility of the Corporate Affairs area, following the same anticorruption criteria, contracts and project follow-up.



All projects are evaluated by a Pre-Selection Committee and the Board of Directors



844,692
benefited through
139 food banks

Fighting against hunger

It is somewhat paradoxical to know that despite the fact that around the world a third of food is wasted, there are millions of people who live below the breadline, both in rural and urban areas. Hunger is undoubtedly a reality in the countries we are present, therefore, driving sustainable food access to disadvantaged communities becomes a major responsibility for us. We focus on:

- a. Providing in-kind donations, mainly from our stores and distribution centers, to social organizations on the food network.

In Mexico, we work to strengthen the food banks' capabilities. In Central America we support the consolidation and creation of food banks in Costa Rica, Honduras, Guatemala, El Salvador and Nicaragua. In 2014, the food bank operation in Costa Rica promoted the opening of a new branch in the Northeast part of the country known as Guanacaste, which will supply food for social wellness organizations in the area to eventually benefit over 10,000 people.

We work to strengthen internal controls in-kind donation processes in all our stores to improve their quality of delivered products.

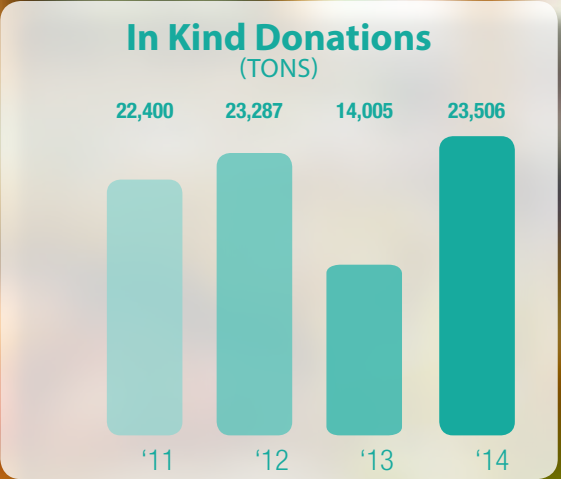
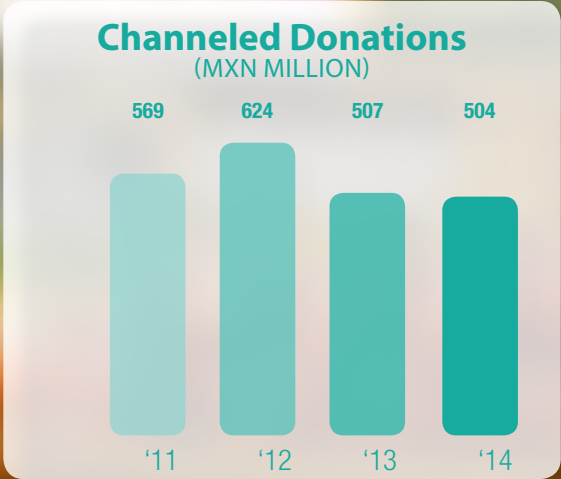
- b. Contribute to food safety in communities that live below the breadline by driving the construction of kitchen gardens, farms and water catchment systems. This program promotes sustainable food access, the increase of available income and women empowerment, creating a development platform of production capabilities.

Contributing to sustainability of communities through production chain

Undoubtedly, developing production chains that improve the life conditions of communities on a sustainable basis is an efficient mechanism to increase income and employment amongst communities. In addition, the Company supports through people, infrastructure and trade channels to strengthen market focus on producers, the development of trading capacities and access to modern trade, which provides an invaluable experience to produces and varied growth opportunities. As a result, we have incorporated an inclusive vision that not only drives development to fight against poverty but also transform and make sensitive our Company, generating both internal and external value.



7,171
benefited in Mexico
with the Food Safety
program





61%
increase in average
income per producer
in Mexico

Consequently, our efforts are focused on:

- a. Funding production infrastructure and training. In 2014, 36 projects were granted funds in Mexico, all of which focus on craft and farm production.
- b. Incorporating low-income small producers to the supply chain, as a development mechanism of production capacity, logistics and access to modern markets. The program includes:
 - An assessment of the poverty level.
 - A Business Case creation and planning of the productive and trade project.
 - Production and logistics training as well as providing conditions for sale and delivery.
 - Development of soft and hard competencies.

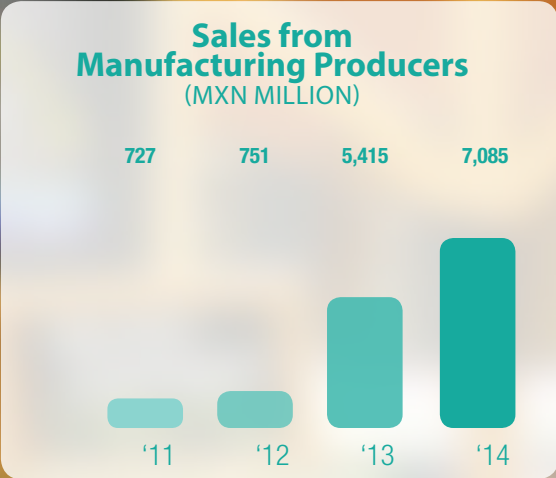
The development of a commercial platform to buy from low-income small producers under preferential pay conditions and distribution costs, as well as the training funding and product development, as described on the *Supplier development chapter*, has played a significant role on the growth of this program and its social impact.

In order to strengthen the program and increase the number of supported suppliers, in Mexico, the *Co-Creation Forum for Inclusive Farming* was developed. Through the Forum, best practices on small producer incorporation and development will be shared with other organizations; this all aims at improving standards and strengthening the relationship between corporations and multiplier organizations in the benefit of more producers.

In Mexico in order to promote the sale of products developed by small producers a campaign called *Small Producer, You Can Count on Us* was launched in 2014. By posting communication on the point of sale, product in-store signage, electronic communication on the social media and the sale of products on line, achieved a 83% on line sales increase of such products, as well as more awareness of the program and the stories built behind each of the 118 products currently traded.



Over 17
cooperatives of small
producers sell 118
products in stores



Local programs

2,428 volunteer activities

- 762 schools
- 716 activities with communities
- 537 parks, green areas and beaches
- 244 orphanages and shelters
- 169 streets maintained

Volunteerism

The pillar of our community work has always been promoting among our associates and customers a sense of citizenship and community involvement. During this year, local activities were promoted in all stores, incorporating community work in store clusters, which improves team work and creates a greater impact. In addition, the specialized volunteer work was developed for staff associates among Merchandising, Fresh and Logistics areas, which are now included in the development of producers, mentorship programs and the selection of projects to be annually funded.

In order to motivate and acknowledge volunteer work, in the most important celebration of the Company we recognize the volunteer of the year, the format of the year, the city of the year, and the distribution center of the year. This is indeed a source of pride for the Company and an example of the service principle that distinguishes us.

Disaster relief program

In case of natural disasters, the Company focuses on providing support to our associates and their families, providing basic supplies to the rest of the affected population -including food, drinkable water and sanitary products-, restoring the operation in our stores and their supply in the area, as well as opening a support channel for our customers through collection center and care campaigns.

In this manner, the Company uses its logistics, operative and immediate reaction capacities through each store, and the Continuity of Operations Center, that represents all the areas and sets the intervention pathways during a disaster. In addition, we are supported by the Mexican Red Cross and company volunteers to take humanitarian aid to the places in need, achieving proper and timely intervention to support affected populations.



64,500
benefited by natural
disasters assistance





8

Environmental care



Our sustainability strategy is designed to reduce the environmental impact of our operations and of the products we sell, through innovation and investment in state-of-the art technologies, in collaboration with our business partners and through training for our associates and suppliers. Our size allows us to make a significant difference in the environment and for our business.

Carbon dioxide emissions

Emissions increased only 1/3 of sales floor growth in Mexico

Through the use of renewable energy and the implementation of initiatives meant to reduce energy use, we reduce carbon emissions and, as a result, the impact on climate changes.

In 2014, we reduced carbon dioxide emissions per square meter of construction by 6.4% in Mexico and 0.6% in Central America. Energy efficiency initiatives served to reduce CO₂eq by 19,174 tons, comp stores.

Absolute emissions of scope 1 and 2 amounted to 15.8%, an improvement less than our sales floor.

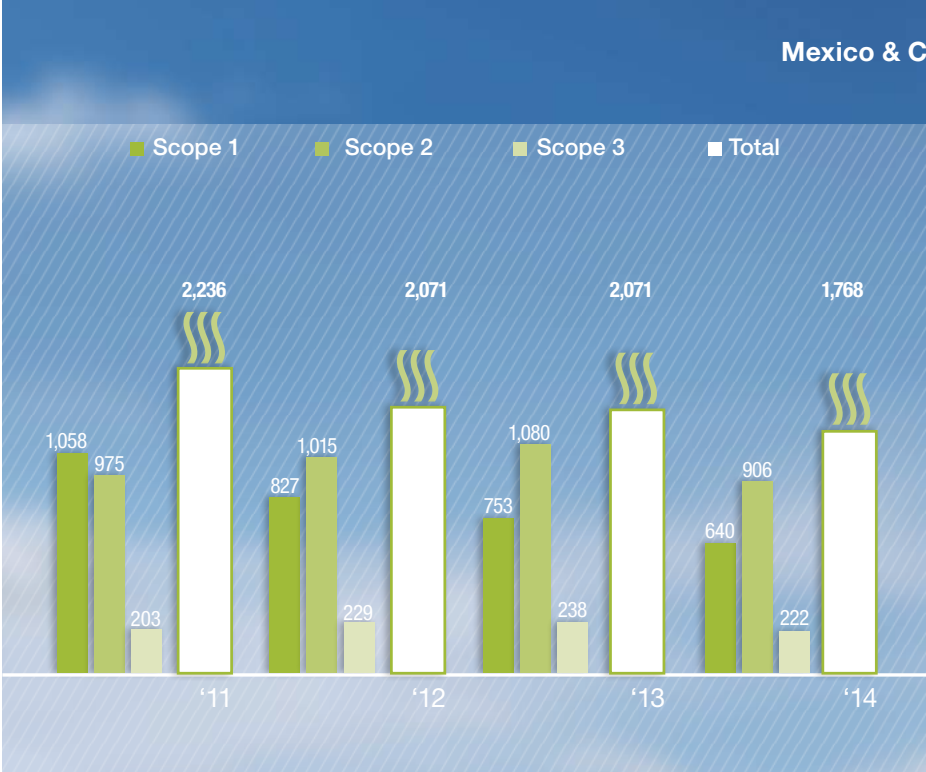
Emissions created by the transportation of merchandise from distribution centers to stores were reduced 9.5%, as compared to 2013, thanks to the consolidation of reverse logistics initiatives. In Central America, the *Backhauling* initiative has saved 525,873 liters of diesel.

In Mexico we disclosed our carbon emissions to *Carbon Disclosure Project* platform for third consecutive year.

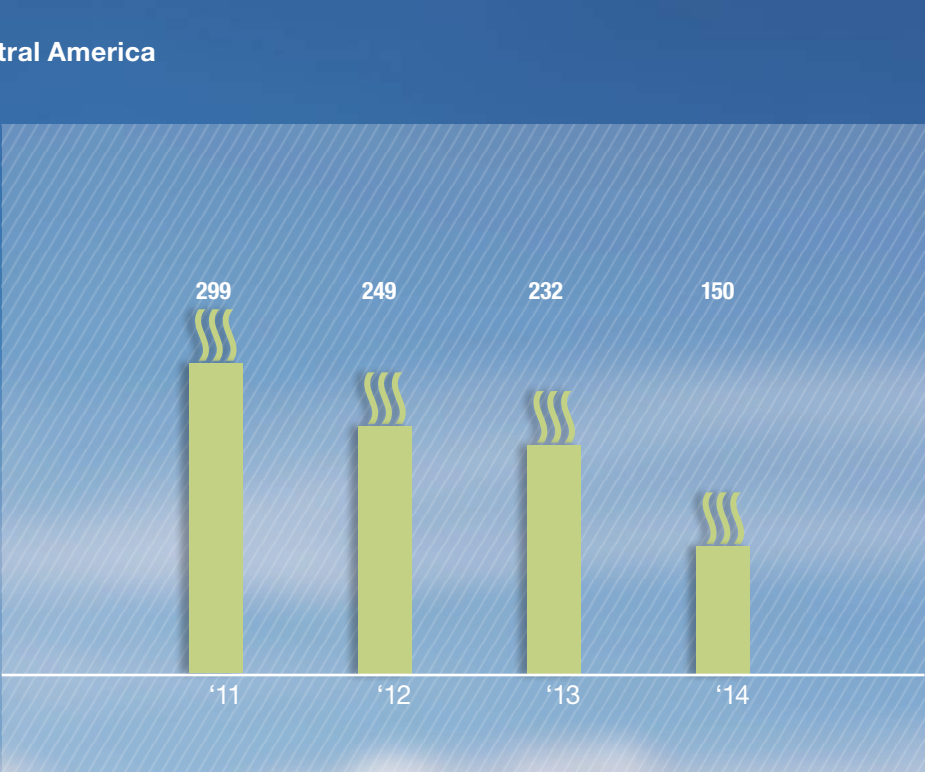


Reduction in 221,611 tons of CO₂ emissions

CO₂eq Emissions (thousand tons)



Carbon Intensity (ton CO₂eq/thousand m²)





42 million
kWh saved

Energy

We reduced energy use in stores and distribution centers by 1.8% in Central America and 1.6% in Mexico, equivalent to 42 million kWh.

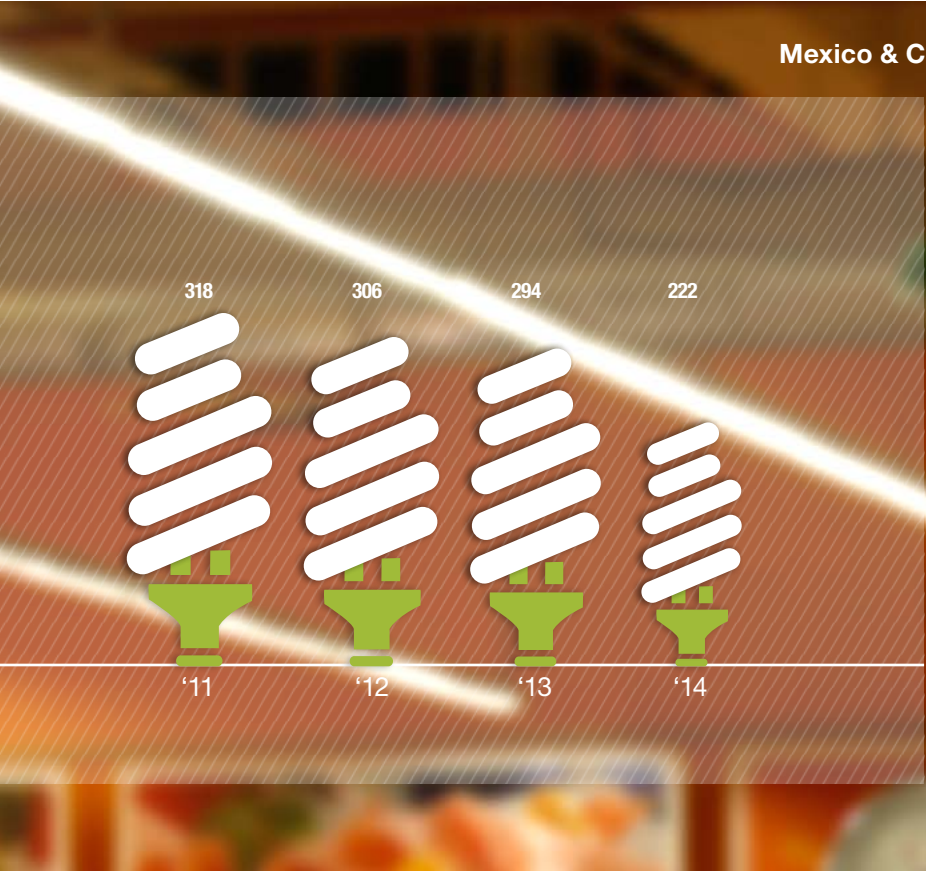
In Mexico, we continue working together with teams from Operations, Operational Efficiency, Remodels, Maintenance, Internal Supplies, Projects and IT to take advantage of new technologies and operational practices to take advantage of new technologies and operational practices for efficient use of energy, through:

- Monitoring and optimization of energy management and control systems.
- Replacement of fluorescent lighting with LED.
- Implementation of energy savings operational campaign.
- Installation of open refrigeration doors and control systems for their resistance.
- Dehumidifiers for refrigeration displays.

2020 Goal:
reduce
20%
energy use

Progress:
26%
in Mexico and
4.8%
in Central America

Energy Intensity
(kWh/m²)



Electrical Grid Energy Use
(GWh)





49%
of stores supplied
with renewable
energy in Mexico

Renewable energy

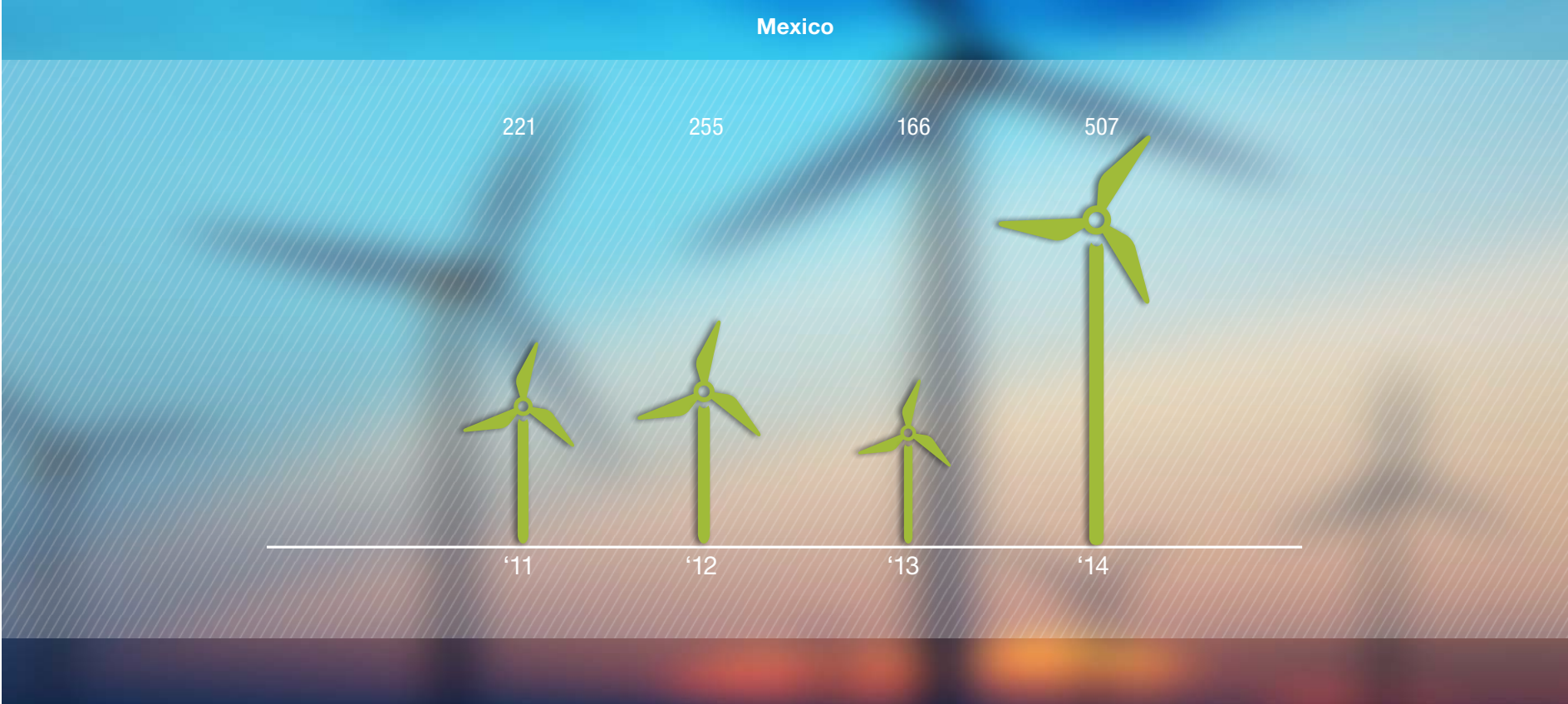
Aligned to our objective to have 100% supply of energy from renewable sources, the development and installation of projects with this approach allow us to have lower rates, which help us keep our productivity circle, operate with low costs thus offering low prices to our customers.

We strive to become the most efficient and sustainable retailer chain. Therefore, it is essential to have an efficient use of clean energy and energy from renewable sources.

In Mexico, we began using a mini hydroelectric power plant in the state of Veracruz and 2 wind farms in the state of Oaxaca. These are added to the 2 already in use, thus completing 5 renewable energy projects. With the above, we now supply clean, renewable energy to 1,114 stores. We currently use 1,196 million kWh, representing 40% of our 2020 goal and 17% of Walmart's global goal to supply 7,000 million kWh.

2020 goal:
3,000 million
kWh of renewable
energy in Mexico and
80 million
in Central America

**Used Renewable Energy
(GWh)**





38% of treated residual water is reused in watering and bathrooms in Mexico

Water

We consolidated our operation with a low water use. In Mexico we were able to use 280 million less liters of water, which equals the water used by 1,280 families a year.

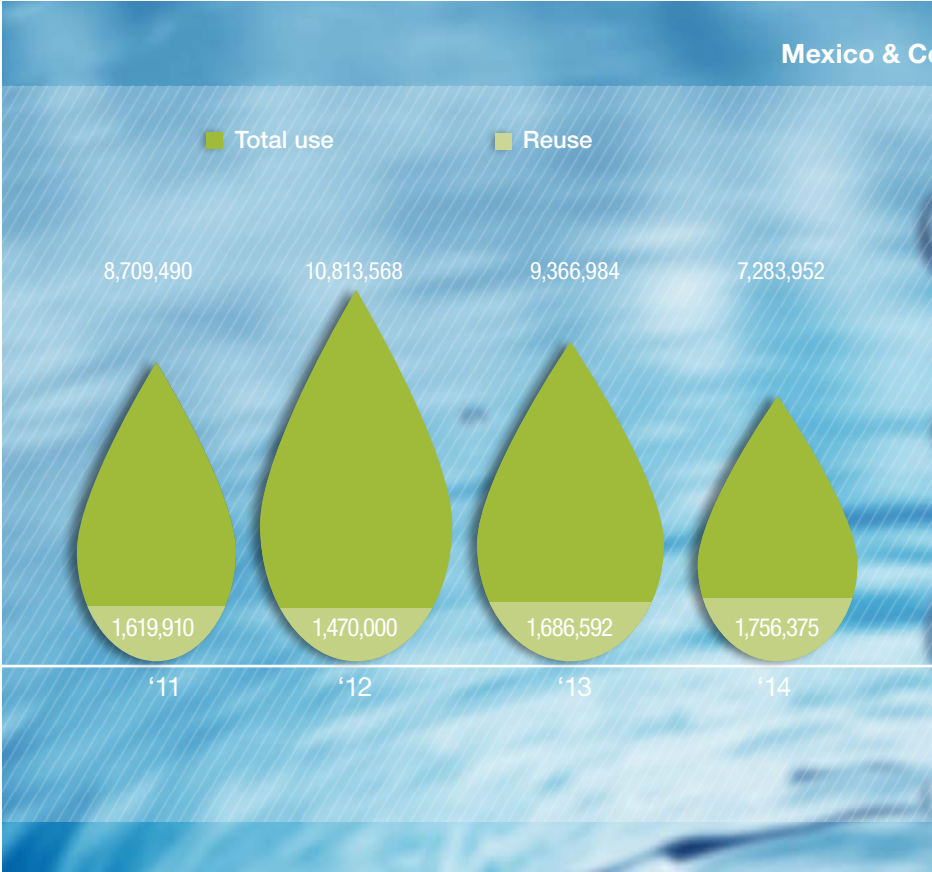
We increased our wastewater treatment plants to 911, thus being able to treat and reuse 1,756,375 m³ of water.

In Mexico we disclosed our water management performance to *Carbon Disclosure Project* platform for third consecutive year.



8% water savings compared to 2013 in Mexico

Water Use and Reuse (m³)



Efficiency Indicator per Area Unit (l/m²)





Recycling of over **250 thousand tons** of waste

Waste

We continued with the implementation of initiatives to reduce the amount of waste produced. We launched the *Reduce, Recycle and Win* campaign to adopt the best operating practices with the purpose of reducing the amount of perishable waste, and increasing rates of recovery for recyclable materials.

We consolidated the operation of a multidisciplinary committee to reduce food waste, developing innovative techniques aimed at controlling and reducing shrink with these products, thereby achieving a reduction of 6%, as compared to 2013.

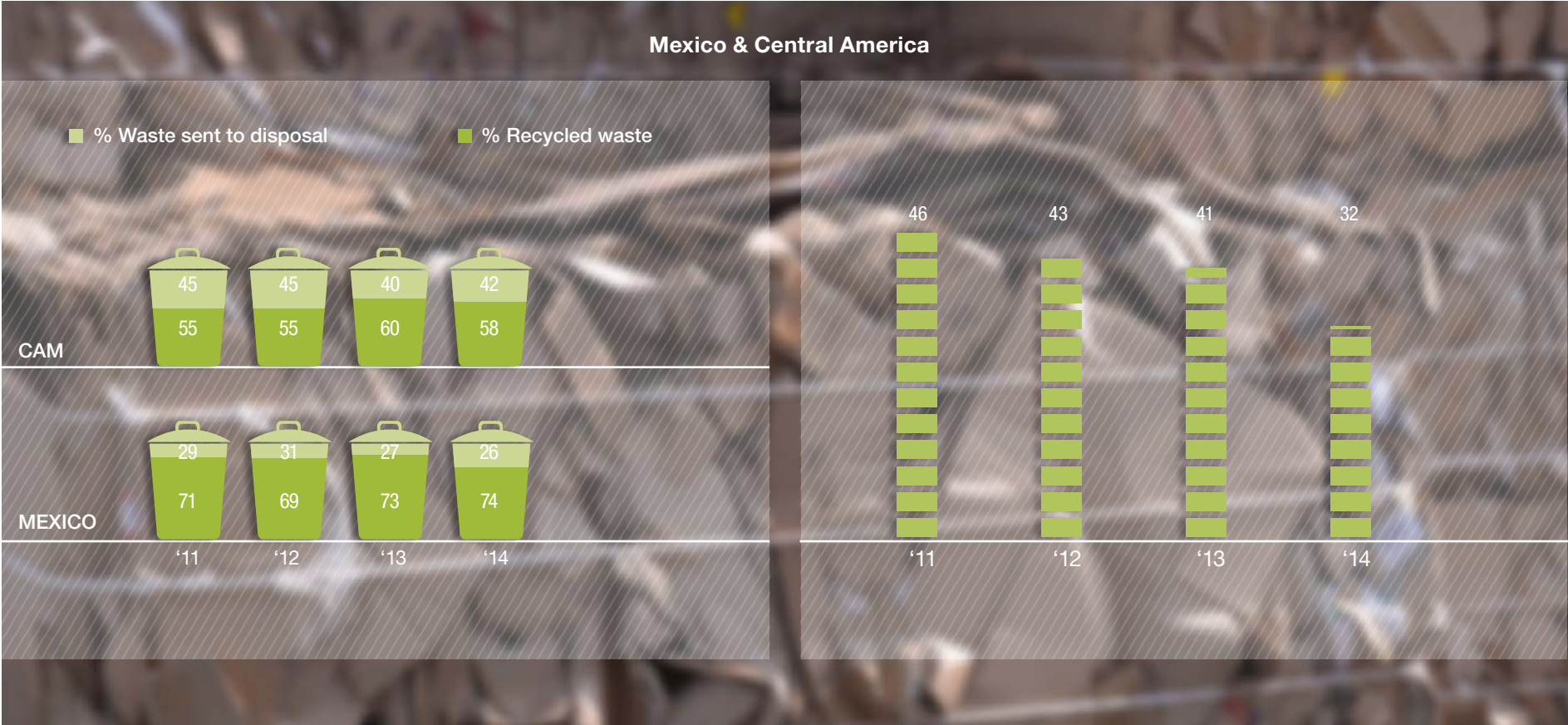
In Central America 100% of the stores, plants and distribution centers have recycling programs, 94% in Mexico.

In Mexico we extended our *Collection Drive of Expired Drugs*, in conjunction with the National System of Waste Management for Containers and Drugs. Some 193 containers were set up in 10 states, and over 20 tons were collected, thus totaling the collection of over 40 tons of expired drugs since 2012.

74% progress to achieve the zero waste objective in Mexico and **58%** in Central America

Waste Management

Waste Management Intensity (kg/m²)





Carried out forest compensation for the construction of the distribution center in Monterrey

Biodiversity

We continue reinforcing policies and procedures aimed at diminishing the impact that our Company may have over biodiversity, both during the construction phase of our units and the use of natural resources in products and materials for our operation.

1. Protecting biodiversity during the construction of units. Policies, procedures and contractual clauses cover the protection of biodiversity and the sustainable use of natural resources, from the acquisition of the property, to the construction of units by third parties and the design of units. Said policies include:
 - a. Environmental analysis of properties prior to purchase, with the purpose of verifying the existence of any protected flora or fauna, soil contamination, bodies of water as pertains the viability of the project, and the necessary means of mitigation and compensation required.
 - b. Proper project design as per environmental regulations covering green areas, permeable areas, the use of renewable energy, and plant management.
 - c. Environmental measures and compensations during the construction phase, including proper waste management, flora and fauna recovery, atmospheric emissions, noise pollution, and measures set forth by environmental authorities.
- d. Joint responsibility of third parties, including contractual clauses and bidding stipulations for construction companies and suppliers to provide material from authorized banks, manage waste in keeping with current legislation, wastewater management, and compliance with their responsibilities in these matters.
2. Preventing water pollution and soil degradation during farming and fishery-related activities, and in overexploitation of forestry resources.
 - a. We use wood products, such as pallets, that come from authorized domestic or foreign sources; pulp products that use recycled, post-consumption fiber; and internal paper supplies having *Forest Stewardship Council* certification.
 - b. We defined a policy for the use of certified palm oil in the products we sell under our private label, so as to avoid deforestation of tropical forests. Moreover, we are working with other suppliers so that all may have proper certification in 2015.
 - c. We restated the sustainable fishery strategy upon renewing work plans and policies so that in 2015 all aquaculture products, either domestic or imported, are *Best Aquaculture Products* certified.



All supply chain distribution pallets are from authorized sources



65

SMEs participate in the Eco-Efficiency Consultancy program

Value chain

Most of our environmental impact is on our supply chain; hence in cooperation with our suppliers, we undertake the commitment to reduce our impact while offering quality products at accessible prices.

The mutual aid from our suppliers and other organizations is fundamental to make greater progress towards a more sustainable supply chain. For us, there are no competitors on sustainability issues, the addition of efforts and resources may lead to more significant changes.

Workshops on exchange of best practices

As a follow up to sustainability forums, *Together for a Better Planet* in 2010 and 2013, we organized 4 workshops to exchange best practices among companies: logistics, sustainable packaging, carbon footprint measurement and the communication of sustainability initiatives to customers.

Eco-Efficient SMEs

In Mexico, a program on *Eco-Efficiency Consultancy* for SMEs was launched. Its objective is to develop eco-efficiency projects that decrease operative costs by means of a more efficient use of energy, water and raw materials. The program was developed and is operated by the Global Institute for Sustainability sponsored by the Technological Institute of Monterrey.

Innovation Award

In cooperation with the Iberoamerican University, we granted the *Walmart + Ibero Sustainable Innovation Award* for the second consecutive year. A total of 231 projects were presented by students throughout 26 states.

The winner project was *Acuaponia* (Aquaponics), a sustainable biomimetic crop, consisting on combining hydroponics with aquaculture, or raising aquatic animals such as fish, to create a highly sustainable system that does not generate waste. The model imitates an ecosystem similar to a *Chinampa* (a method of Mesoamerican agriculture), when biogeochemical cycles are closed the process is self-sustainable and does not require fertilizers, thus generating organic food.

Products

Initiatives developed by our suppliers allow us to offer over 1,500 products that have managed to reduce their impact in one or more of their life cycles. Among others, there are products cultivated through sustainable agricultural practices, those manufactured using less energy or water, those made with recycled materials, and even products that when used required less energy than their previous versions or similar ones.

A pilot test on the *Product Sustainability Index* was performed. This is a tool that identifies the most significant environmental impacts of products in their different categories and the actions to reduce such impact. Focusing on the life cycle, the tool aims at achieving improvements in those stages where a significant change can be made for each product category.

The testing stage included 4 categories: coffee, detergents, dairy products and domestic use paper. The participant companies answered a questionnaire related to the environmental impact areas of their products, so as to identify achievements and areas of opportunity.

These types of initiatives allow us to increase our assortment of products with low environmental impact and a similar or better performance than their current versions.



Over 1,500 products with low environmental impact



9

Walmart
y Centroamérica

Corporate governance



Our Company is established on the foundations of integrity and the highest standards of ethics, ensuring unwavering adherence to any and all applicable legislation in all the countries where we operate. The structure and responsibilities of our Board of Directors, the Statement of Ethics and, overall, all our activities are performed under the umbrella of the best practices of Corporate Governance.

Board of Directors

The Board of Directors must meet a minimum of 4 times a year

Our Company's management is overseen by a Board of Directors.

Membership:

- The members are appointed each year by the shareholders in their General Ordinary Assembly meeting.
- Independent Directors must represent a minimum of 25% of total Directors.
- Minority shareholders, whose shares are at least 10% of Company shares, that is, owners' equity, have the right to choose a Director and the corresponding Alternate Director, who may be removed only when other Board Directors are removed.
- The Board of Directors must meet a minimum of 4 times a year.

Primary duties:

- Electing the CEO.
- Serving as consultant/ advisor to Top Management.
- Working actively with the CEO to develop general strategies for the Company and for any and all subsidiaries.

- Supervising performance of relevant executives.
- Approving policies on information and communication with shareholders and the market.

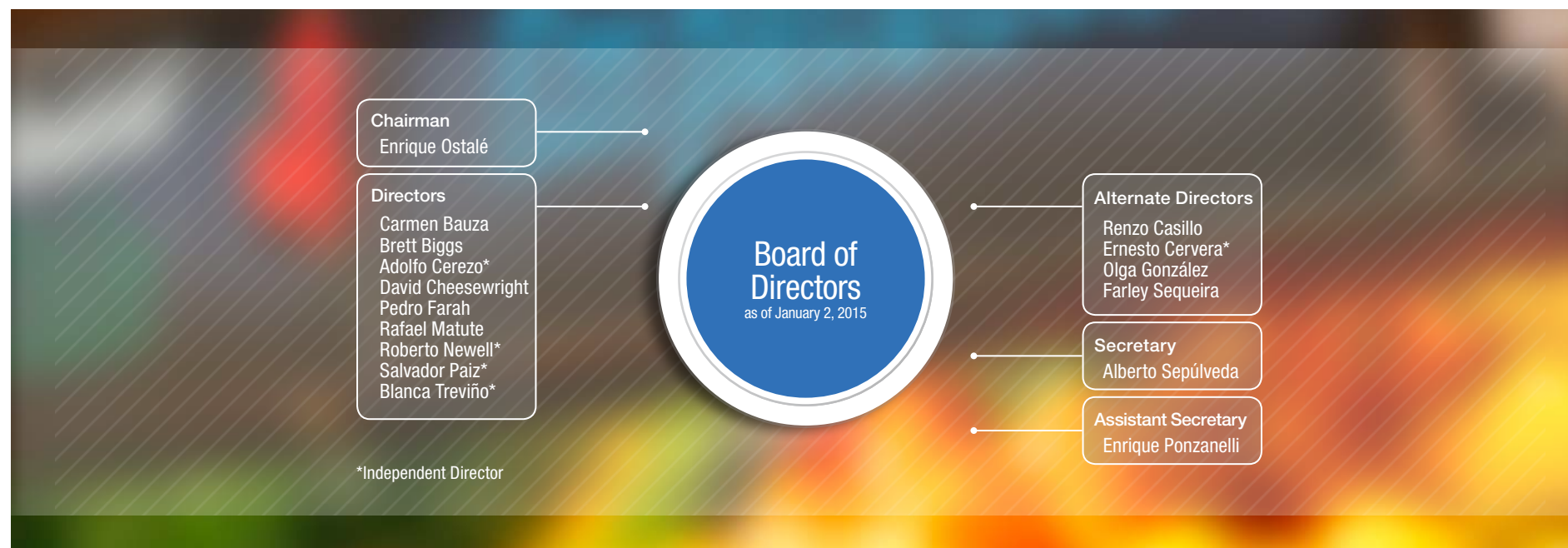
Other practices:

- The Board evaluates the performance of each Director.
- Independent directors must have experience in the overall business of the Company.
- The Board has access to independent consultants.
- The Chairman of the Board may neither serve as Secretary nor preside over any Board committees.

The Board of Directors is supported by 3 committees, whose job is to analyze subjects of their competence in detail and make recommendations to the Board so that it may review the information and make any decisions that result in creating value for our shareholders.

Note: Wal-Mart de México, S.A.B. de C.V. held its Annual General Ordinary Shareholders' Assembly on March 24, 2015, where the members of the Board of Directors were ratified and the addition of Richard Mayfield as proprietary Board member was approved.

The Audit and Corporate Practices Committees and the Executive Committee support the Board of Directors



Associates are responsible for understanding and complying with our Statement of Ethics

Audit and Corporate Practices Committees

These are comprised by 3 Directors, all of them independent.

Primary duties:

- Selecting the independent auditor for the Company and determining fees.
- Ensuring that the internal control scheme for the Company is appropriate; that any and all applicable accounting and legal provisions are strictly followed; and reviewing operations with related parties that the Company conducts.
- Reviewing the financial statements and ensuring they are a true reflection of the financial standing of the Company. There is also a procedure for receiving, keeping and responding to claims regarding accounting controls and audit-related matters. These committees have the authority and the necessary resources to retain legal counsel and any other independent consultant needed in the fulfillment of their duties.
- Reducing the risk of conducting operations that may be disadvantageous for Company wealth or that could provide an added advantage for any specific group of shareholders.
- Approving policies for the use of property pertaining to Company assets.
- Authorizing transactions with related parties, wages, and benefits for the CEO and policies governing wages and benefits for relevant executives.
- Assisting the Board of Directors in the preparation of reports on accounting practices.
- Holding closed meetings and receiving periodic reports from Internal Audit, Legal, and Ethics.
- Calling to meeting of the Shareholders' Meeting, and ensuring the order of business includes those points deemed pertinent.

Primary requirements and practices:

- All members must be Independent Directors, with expertise in finance.
- Independent auditors may not provide consultancy services to the Company.
- The partner from the independent audit firm who renders a decision on the Company financial statements audited must be periodically rotated.

Members of the Audit and Corporate Practices Committees:

Adolfo Cerezo (Chairman)
Ernesto Cervera (Alternate)
Roberto Newell
Blanca Treviño

Executive Committee

Among its duties is the strategic planning for the Company.

Executive Committee Members as of January 2, 2015:

David Cheesewright
Enrique Ostalé

Statement of Ethics

The values that set us apart from others – integrity, respect for the individual, service to our customers, and the search for excellence – are the cornerstone of our Culture, and we categorically reiterate that under no circumstances are they negotiable. Associates in all areas and all levels of our business are held responsible for understanding and complying with our Statement of Ethics. Therefore, we are always vigilant that our activities are governed by our basic beliefs and values.

Some of the primary subjects covered in our Statement of Ethics:

- Non-discrimination
- Conflicts of Interest
- Gifts Policy
- Confidentiality of Privileged and Trade Information
- Inappropriate Behaviors
- Harassment on the Job
- Proper Use of Company Assets
- Sexual Harassment
- No Repercussions
- Fair Trade
- Financial Integrity
- Anticorruption

We have an Ethics area that reports directly to the Executive Vice President of General Counsel and Institutional Affairs for Mexico and Central America. This area is charged with the responsibility of disseminating and promoting a culture of ethical behavior and strict adherence to all legal regulations in the matter, which we consider one of the most important principles. In addition is the responsibility of handling all inquiries and ethics-related cases. The Audit Committee receives periodic reports from this area.

Compliance

Convinced as we are that our values are of utmost importance in Walmart de México y Centroamérica, we make great efforts in cultivating trust and transparency among all our stakeholders. This is a recurring theme at all levels of leadership because our ongoing success depends on having the commitment of one and all to always do the right thing for our customers, among ourselves, and for the wellbeing of our business.

This year we reinforced our *Compliance* program, focusing on the most important subjects, in terms of their impact and in alignment with international standards:

The 14 areas comprising the *Compliance* program include:

- Responsible Sourcing
- Anticorruption
- Anti-Money Laundering
- Antitrust
- Trade
- Food Safety
- Licenses and Permits
- Environment
- Privacy
- Consumer Protection
- Health and Wellness
- Health and Safety
- Product Safety
- Labor and Employment

The Vice President for Compliance reports to the Vice President of Compliance for Latin America and to the Vice President of Compliance –International. The area has a dedicated team of experts for each of the 14 primary subjects listed above. There is also a monitoring area that covers 100% of the business units, which also provides training, follow-up, and designs the remediation plans.

The Matrix of Responsibilities for Compliance, e-certification, and constant training for all associates working in the Company are fundamental aspects towards ensuring the success of the program. This year, compensation for the top executives of the Company is tied to the accomplishment of compliance objectives.

Anticorruption continues to be a primary focus of the Compliance program. The Anticorruption team is led by a Director who reports directly to the Senior Director for Global Anticorruption Compliance, and to the Vice President for Compliance in Mexico. This team is in charge of conducting due diligence, developing and offering anticorruption training, and supervising the implementation of Company policies and procedures. The

training offered covers the principles and policies that are part and parcel of the Global Anticorruption Policy, and its procedures. In 2014, courses and workshops were taken by more than 23 thousand associates and 773 suppliers.

Compliance risk assessment was performed, and the resulting information is being used to create a new list of compliance improvements, a priority for 2015.

Corporate Responsibility Committees

In Mexico the Direction of Corporate Responsibility is in charge of the Executive Vice President of General Counsel and Institutional Affairs for Mexico and Central America. In Central America the Corporate Responsibility area is in charge of the Direction of Corporate Affairs, which reports directly to the head of Central America.

Corporate Responsibility Management is aimed at:

1. Involving top management in the accomplishment of stated objectives, the analysis of challenges, in defining plans, and in leading the generation of value.
2. Establishing a long-term vision and strategic priorities.
3. Supporting the consolidation of structural changes, policies, and procedures.
4. Implementing a Corporate Responsibility indicator on the individual performance of top management in their performance evaluations, and that it have an effect on pay raises awarded.

Members of the Committees for Corporate Responsibility:

Mexico	Central America
Karina Awad	Carlos Arroyo
Renzo Casillo	Ana Teresa Concepción
Todd Harbaugh	Jorge Cordero
Mónica Loaiza	José Alberto Montiel
Rafael Matute	José Manuel Rodríguez
Enrique Ostalé	
Alberto Sepúlveda	
Adriana Velázquez	

For information on Materiality for Walmart de México y Centroamérica, as well on the vision, strategy, primary results achieved in 2014, and the indicators best describing the scope and performance of our Company in each subject, please turn to the *Materiality* chapter.

Recognitions

- **Sustainability Index member, from the Mexican Stock Exchange**, 4th consecutive year.
- **Dow Jones Sustainability Emerging Markets Index member**, 3rd consecutive year.
- **Socially Responsible Company** by the Philanthropy Mexican Center (Cemefi), 14th consecutive year.
- **Corporate Social Responsibility** in Honduras by the Honduran Foundation for Corporate Social Responsibility (Fundahrse), 7th consecutive year.
- **National Logistics Award 2014, Galardon Tameme**, under the corporations category.
- **Clean Transportation Recognition**, 4th consecutive year.
- **Certification of the Company's Gender Equality Model**, 6th consecutive year.
- **The best eCommerce site in Mexico**– walmart.com.mx- in the retail category by the Internet Mexican Association (AMIPCI).
- **eCommerce Award 2014** by the eCommerce Latin American Institute to walmart.com.mx as the eCommerce leader in retail.
- **Honorable Mention for Economic Empowerment and Women Autonomy** by the Commerce Chamber in Costa Rica – United State.
- **Friends for Development Award** in the highest distinction category of the Multiply for Development event by the FORTAS program of the Salvadorian Foundation for Economic and Social Development (FUSADES).
- **Quality National Award 2014** by the Industry and Trade Ministry (MIFIC) in Nicaragua, this award is granted to companies in the agro industrial division of Vegetables and Grains (Hortifruti) and Meat and Deli of Integrated Meat Industries (ICI) in Nicaragua.
- **National Award for the Cleanest Production**, under the Excellence category, granted by Integrated Meat Industries (ICI) in Nicaragua, for a project that allowed the use of commercial energy in refrigerated containers instead of diesel.
- **Special Distinction** granted by the Nicaraguan Union for Corporate Social Responsibility (UNIRSE), due to the New Pathway Program in support to women in alliance with Manna Project International (MPI).
- **Community Contribution Award** in Guatemala, under the Environment category, by the America-Guatemala Trade Chamber (AmChamala).
- **National Quality Award**, under the Large Corporation category, by the Nicaraguan government in the Agro Industrial division.
- **Volunteer work award** for the activities performed during the past 5 years in the benefit of Salvadorian families, by Glasswing International.

Rankings

- **1st place on the Employment ranking 2014**, Forbes magazine.
- **3rd place on the Most Benefactor companies in Mexico**, Forbes magazine.
- **3rd place on the Most Important Corporations in Mexico**, Expansión magazine.
- **6th place for Bodega Aurrerá on the top 30 most valuable brands in Mexico** (Brand Z), by Millward Brown Vermeer agency.
- **7th place on the Top Socially Responsible Corporations**, by Expansión magazine and Schulich Business School.
- **7th place on the Top 20 corporations in Latin America**, by Summa magazine and Hay Group in Central America.
- **8th place on the Top 50 Socially Responsible Corporations**, by Mundo Ejecutivo magazine.
- **10th place on the top 500 Largest Corporations in Latin America**, America Economía magazine.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS

REGARDING OPERATION RESULTS AND FINANCIAL STANDING OF THE COMPANY

Sale of the restaurant division

As a respond to the announcement made on September 10, 2013, regarding the definite agreement reached with Alsea for it to acquire 100% of our restaurant division, on March 5, 2014 we received the notification from the Federal Economic Antitrust Commission (Cofece per its acronym in Spanish), through which this sale was approved, subject to certain conditions.

Upon compliance with the conditions established by Cofece, on May 12, 2014, we informed our shareholders and the investment community that the transaction regarding the sale of the restaurant division to Alsea had been approved, including a total of 361 restaurants, from which 263 belonged to the Vips chain, 92 to El Portón and 6 to Ragazzi. Additionally, the operation comprised intellectual property rights for the 4 chains, as well as menus, product development, operation processes and others.

Sale of Banco Walmart

On December 18, 2014, we reached an agreement with Grupo Financiero Inbursa for it to acquire 100% of Banco Walmart, and the creation of a commercial alliance to strengthen the offer of financial services to our clients. The closing of the transaction is subject to the approval of competent authorities and other conditions that are customary to these types of transactions.

I. Results

Mexico

Total income amounted to 378.8 billion pesos, a 3.4% increase over last year, and 85.9% of total consolidated income.

Gross margin was 22.1%, 20 basis points higher than the one posted in 2013.

General expenses rose 4.7%, representing 14.0% of total income.

Operating income and EBITDA increased at a faster pace than total income, 4.0% and 4.5%, respectively.

EBITDA amounted to 38.5 billion pesos and represented 10.2% of total income.

Central America

Central America reported total income of 62.2 billion pesos, an 8.3% increase in peso terms and a 7.3% increase on a constant currency basis. Total income represents 14.1% of total consolidated income.

Same-store sales rose to 4.1% on a constant currency basis.

Gross margin for the year 2014 was 22.4%, equivalent to the one reached in 2013, showing an 8.5% increase in peso terms and a 7.4% increase on a constant currency basis.

General expenses increased 2.1% on a constant currency basis with 90-basis point leverage.

Operating income and EBITDA increased 34.7% and 24.5%, respectively, both on a constant currency basis.

Consolidated

Total income amounted to 441.0 billion pesos, some 17.2 billion pesos more than the previous year. This represents a 4.1% increase over the total consolidated income reported in 2013.

On a consolidated level, gross margin was 22.1%, 20 basis points higher than the one reported in 2013.

General expenses increased 4.4%, slightly over the increase in total income.

Operating income totaled 34.7 billion pesos, representing a 9.7% increase compared to 2013. On the other hand, EBITDA registered 42.9 billion pesos, showing a 6.3% increase.

The Company reports its results separating Banco Walmart as discontinued operations, in conformity with the International Financial Reporting Standard 5.

Net income before discontinued operations increased 13.9% and net income increased 34.0% during the year. In 2014 we repurchased 123 million shares, 27 million more than in 2013. Earnings per share were 1.732 pesos.

	Mexico			Central America				Consolidated		
	2014	2013	% Increase	2014	2013	% Increase		2014	2013	% Increase
						In pesos	Constant currency basis			
Total income (billion pesos)	378.8	366.4	3.4	62.2	57.4	8.3	7.3	441.0	423.8	4.1
Gross margin	22.1	21.9	4.5	22.4	22.4	8.5	7.4	22.1	21.9	5.0
General expenses	14.0	13.8	4.7	17.7	18.6	3.1	2.1	14.5	14.5	4.4
Operating income	8.1	8.1	4.0	4.6	3.7	36.0	34.7	7.9	7.5	9.7
EBITDA	10.2	10.1	4.5	7.0	6.0	25.7	24.5	9.7	9.5	6.3

Financial information under International Financial Reporting Standards.

II. Balance Sheet

Cash and cash equivalents

Our cash position as of December 31, 2014, amounted to 28.0 billion pesos, some 6.9 billion pesos above our position in 2013, showing a 32.7% increase.

Cash is invested in short-term debt securities. The Company neither conducts transactions with derivatives, nor does it invest in the stock market. The Company has not conducted any transactions not recorded in the financial statements.

Cash generation and uses of cash

Cash generation amounted to 43.4 billion pesos. The uses of cash are investment in fixed assets, dividend payment and share repurchase.

Investment in fixed assets during the year totals 12.7 billion pesos. We continue reinvesting our earnings in projects that serve to modernize our operating structure –ranging from information systems to logistics networks and the renovations of our stores and clubs-, and we added over 2.9 million square feet in sales floor area, as a result of the opening of 132 new units. In Mexico, we opened 100 units from different business formats, increasing the sales floor area by 3.6%.

	% of total sales	sq. ft. of sales floor	Openings	Units	Cities
Bodega Aurrerá	39.4	27,490,378	79	1,660	433
Walmart	28.6	21,119,686	8	251	79
Sam's Club	24.1	12,163,215	4	159	86
Superama	4.4	1,633,137	1	93	18
Suburbia	3.5	4,807,154	8	116	44
Farmacias Medimart	-	28,686	-	10	1

In Central America we opened 32 units, increasing our installed capacity by 7.1%.

	% of total sales	sq. ft. of sales floor	Openings	Units	Cities
Costa Rica	42.7	2,267,824	4	217	15
Guatemala	27.7	2,284,059	9	217	39
Honduras	10.3	700,912	6	81	29
El Salvador	10.2	974,740	6	89	20
Nicaragua	9.1	522,916	7	86	23

After growth, the remaining cash generated is returned to our shareholders through dividends and repurchase of shares. This year we paid 21.6 billion pesos in dividends and repurchased 123 million own shares for the amount of 4.0 billion pesos

The following chart shows the dividends paid during the last 4 years, 2014 being a record in dividend payments.

Year	2014	2013	2012	2011
Dividend per share (pesos)	1.25	0.92	0.55	0.55
% of earnings from the previous year	95%	69%	44%	50%
Cash spent (million pesos)	21,643	16,056	9,612	9,659

Regarding share repurchase, the shareholders authorize the maximum amount available for the repurchase of shares. Shares repurchased are subtracted from shareholders' equity at the moment of repurchase and are formally cancelled each year during the Shareholders' Assembly.

The following chart shows the investment in the repurchase of shares during the last 4 years.

Program	Repurchased shares (million)	Invested amount (million pesos)
2014	123	3,996
2013	96	3,328
2012	27	1,088
2011	103	3,455

Working Capital

In 2014, the Company continued operating with negative working capital requirements, which has historically allowed for the self-financing of growth and modernization.

The inventory balance as of December 31, 2014, amounted to 47.2 billion pesos, a 7.7% increase compared to last year, while accounts payable to suppliers totaled 52.7 billion pesos, a 10.7% increase.

Walmex Share

We are the fourth most traded stock on the Mexican Stock Exchange –with a weight of 7.0%*, where we have traded since 1977. For the third consecutive year we are included in the Dow Jones Sustainability Index for Emerging Markets, and for the fourth consecutive year we are included in the Mexican Stock Exchange Sustainability Index.

*As of March 2015

AUDIT AND CORPORATE GOVERNANCE COMMITTEES REPORT

WAL-MART DE MÉXICO, S.A.B. DE C.V.

ANNUAL REPORT

Board of Directors of Wal-Mart de México, S.A.B. de C.V.

Dear Sirs,

In accordance with the current Securities Market Law ("LMV", as per its initials in Spanish), article 43 and the internal regulations approved by the Board of Directors of Wal-Mart de México, S.A.B. (jointly with its subsidiaries, the "Company"), we hereby inform you of the activities undertaken during fiscal year ended December 31, 2014.

In the performance of our duties we have maintained strict compliance not only with the LMV, but we have also considered the recommendations contained in the Code of Corporate Best Practices issued by Consejo Coordinador Empresarial, A.C, the company's Code of Ethics, the General Internal Rules of the Mexican Stock Exchange and general provisions derived from the LMV.

In order to comply with our supervisory process, the Audit and Corporate Governance Committees have held quarterly meetings to analyze the company's most relevant accounting, legal, operating and ethical issues in broad terms, supplemented by our involvement in the monthly meetings held with the Chief Executive Officer and Legal areas, and by reports provided by the company's top officers upon our request, and highlights are as follows:

I. As to Corporate Governance:

a) We were informed by the company's Management of the following:

1. Performance evaluation processes for relevant executive officers and authorized replacement plan including, but not limited to Scot Rank Crawford's resignation to his position as President and Chief Executive Officer of the company and the appointment of Enrique Ostalé Cambiaso to take over his position as of January 1 2015 and, particularly, an analysis of multiple roles to be performed by Mr. Ostalé, with no observations noted.
2. A policy to consider business opportunities between the company and Wal-Mart Stores, Inc. ("Wal-Mart") and its subsidiaries, with no observations noted.
3. Processes followed to define a comprehensive compensation for the Chief Executive Officer and comprehensive compensation packages for other relevant executive officers, referred to in paragraph c), Note 10 to the financial statements of the company, with no observations noted.

4. Processes followed along the year to conduct transactions with related parties and relevant transfer price study, whose descriptions are referred to in Note 10 to the financial statements of the company, with no observations noted.

5. Transactions related to the sale of Wal-Mart de México S.A.B. de C.V.'s restaurant division referred to in paragraph b), number II, Note 1 to the financial statements of the company, and the sale of Banco Walmart Adelante, S.A. referred to in paragraph b), number III, Note 1 to the above mentioned financial statements, with no observations noted.

6. Lastly, we were periodically informed of the company's situation in terms of Ethics and Compliance and of measures taken by the company to reinforce these areas, with no observations noted.

b) The Board of Directors granted no exemption to any director, relevant executive officer nor any person with power as stated in LMV, art. 28, Section III, paragraph f).

c) During 2014, the company's management has been continuously informing us of the progress of the investigations conducted by the Walmart Stores, Inc.'s Audit Committee with support from independent lawyers and other advisors, on corrupt practices and of all measures taken by the company to reinforce its internal organization by training directors, managing executives and associates and strengthening processes to be leaders in compliance globally, as explained in detail in paragraph b), Note 1 to the financial statements of Wal-Mart de México, S. A. B. de C.V. and Subsidiaries as of December 31, 2014. Additionally, it is our belief that cooperating with the above mentioned investigations is in the best interest of the company and every shareholder, without distinction whatsoever.

II. As to Auditing:

- a) We analyzed the status of the internal control system and were informed in detail of the internal and independent audit programs and work developed in this regard, as well as of the main aspects requiring to be improved and follow-up on preventive and corrective measures implemented by management. Therefore, it is our opinion that effectiveness requirements have been properly met for the company to operate under an overall control environment
- b) We evaluated the performance of the independent auditors who are responsible for rendering an opinion on the reasonability of the company's financial statements and their compliance with International Financial Reporting Standards. We consider that the partners at Mancera, S.C. firm (a member of EY Global) meet the necessary requirements of professional qualifications and independence for intellectual and financial action and we, therefore, recommended them to be appointment to examine, and issue a report on, the financial statements of Wal-Mart de México, S. A. B. de C.V. and Subsidiaries as of December 31, 2014. On another subject, any additional or complementary services provided to the company by the above mentioned auditors during 2014 did not interfere with their independence and were not substantial.
- c) We attended several meetings to review the annual and quarterly financial statements of the company and recommended to release such financial information at that time.
- d) We were informed of the accounting policies approved and followed during 2014 and any amendments, and it is important to mention the policy on assets and liabilities for sale and discontinuous transactions, which was included as a result of the sale of the restaurant division and Banco Walmart whose effects are described in Note 7 to the financial statements of the company.
- e) We followed up on relevant observations made by shareholders, directors, relevant executive officers, associates and overall, any third party in regards to accounting, internal controls and matters related to internal and external audits.
- f) We followed up on the agreements reached during the company's Shareholders and Board of Directors meetings.
- g) We became aware of progress made in the investment plan and of any impacts on the results submitted to the Mexican Stock Exchange.
- h) We were informed of the contingency and business continuity plans implemented by the company which in our opinion are reasonable based on its operating environment.

Based on performed work and an opinion from the independent auditors, it is our conclusion that the accounting and reporting policies and criteria followed by the company are adequate and sufficient, and have been consistently applied. As a result, the information submitted by the Chief Executive Officer reasonably reflects the company's financial position and results.

Therefore, we recommend the company's Board of Directors to submit for approval before the annual shareholders' meeting, the financial statements of Wal-Mart de México, S.A.B. de C.V. and Subsidiaries for the year ended December 31, 2014.

Sincerely,

Adolfo Cerezo, Eng.
Chairman Audit and Corporate Governance Committees

Mexico City, February 17, 2015.

REPORT OF INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF WAL-MART DE MÉXICO, S.A.B. DE C.V.

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries, which comprise the consolidated statements of financial position at December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, as well as a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these 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 frauds or errors.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries at December 31, 2014 and 2013, and their consolidated financial performance and cash flows for the years then ended, in conformity with the International Financial Reporting Standards.

Our audit opinion and the accompanying financial statements and footnotes have been translated from the original Spanish version to English for convenience purposes only.

Mancera, S.C.
A Member Practice of Ernst & Young Global



David Sitt

Mexico City, February 4, 2015, except for Note 19 related to the approval of the consolidated financial statements, which is dated February 17, 2015.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Notes 1 and 3)

Amounts in thousands of Mexican pesos

	December 31, 2014		December 31, 2013	
Assets				
Current assets:				
Cash and cash equivalents (Note 4)	Ps.	28,047,848	Ps.	21,129,491
Accounts receivable, net (Note 5)		6,382,321		12,778,413
Inventories (Note 6)		47,175,311		43,794,897
Prepaid expenses and other assets		858,363		1,013,525
Assets held for sale (Note 7)		7,988,358		3,932,746
Total current assets		90,452,201		82,649,072
Non-current assets:				
Property and equipment, net (Note 8)		125,996,056		121,082,727
Intangible assets (Note 9)		29,115,019		25,957,186
Other non-current assets		517,280		573,148
Total assets	Ps.	246,080,556	Ps.	230,262,133
Liabilities and equity				
Current liabilities:				
Accounts payable to suppliers (Note 10)	Ps.	52,710,227	Ps.	47,609,438
Other accounts payable (Note 11)		13,640,563		15,549,473
Taxes payable		3,406,529		1,596,262
Liabilities relating to assets held for sale (Note 7)		5,770,732		966,227
Total current liabilities		75,528,051		65,721,400
Long-term liabilities:				
Other long-term liabilities (Note 12)		13,179,933		13,766,917
Deferred tax (Note 13)		5,821,848		6,851,658
Employee benefits (Note 14)		1,304,904		971,577
Total liabilities		95,834,736		87,311,552
Equity (Note 15):				
Capital stock		45,523,723		45,777,573
Legal reserve		8,085,178		6,949,333
Retained earnings		94,265,950		92,551,723
Other comprehensive income items		5,481,982		397,799
Premium on sale of shares		2,464,001		2,314,940
Employee stock option plan fund		(5,598,259)		(5,061,161)
Equity attributable to owners of the parent		150,222,575		142,930,207
Non-controlling interests		23,245		20,374
Total equity		150,245,820		142,950,581
Total liabilities and equity	Ps.	246,080,556	Ps.	230,262,133

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Notes 1 and 3)

Amounts in thousands of Mexican pesos

	Year ended December 31			
	2014		2013	
Net sales	Ps.	437,658,414	Ps.	420,577,021
Other revenues (Note 16)		3,329,320		3,245,946
Total revenues		440,987,734		423,822,967
Cost of sales		(343,368,796)		(330,874,486)
Gross profit		97,618,938		92,948,481
General expenses		(64,009,927)		(61,318,468)
Income before other income, net		33,609,011		31,630,013
Other income, net		1,107,185		6,123
Operating income		34,716,196		31,636,136
Financial expenses, net (Note 17)		(154,034)		(15,744)
Income before taxes on profits		34,562,162		31,620,392
Taxes on profits (Note 13)		(9,521,334)		(9,631,575)
Net Income from continuing operations		25,040,828		21,988,817
Net income from discontinued operations (Note 7)		5,394,065		724,403
Consolidated net income	Ps.	30,434,893	Ps.	22,713,220
Other comprehensive income items:				
Items that do not reclassify to profit and loss of the year:				
Actuarial (loss) gain on employee benefits	Ps.	(158,054)	Ps.	57,007
Items that may be reclassified subsequently to profit and loss:				
Cumulative translation adjustment		5,242,237		178,011
		5,084,183		235,018
Comprehensive income	Ps.	35,519,076	Ps.	22,948,238
Net income attributable to:				
Owners of the parent	Ps.	30,425,945	Ps.	22,716,891
Non-controlling interests		8,948		(3,671)
	Ps.	30,434,893	Ps.	22,713,220
Comprehensive income attributable to:				
Owners of the parent	Ps.	35,510,128	Ps.	22,951,909
Non-controlling interests		8,948		(3,671)
	Ps.	35,519,076	Ps.	22,948,238
Basic earnings per share from continuing operations attributable to owners of the parent (in pesos)	Ps.	1.426	Ps.	1.243
Basic earnings per share attributable to owners of the parent (in pesos)	Ps.	1.732	Ps.	1.284

The accompanying notes are an 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, 2014 AND 2013
 (Notes 1, 3 and 15)
 Amounts in thousands of Mexican pesos

	Capital stock	Legal reserve	Retained earnings	Other comprehensive income items	Premium on sale of shares	Employee stock option plan fund	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at December 31, 2012	Ps. 45,959,724	Ps. 5,785,575	Ps. 90,370,930	Ps. 162,781	Ps. 2,067,980	Ps. (4,646,088)	Ps. 139,700,902	Ps. 135,716	Ps. 139,836,618
Movements in employee stock option plan fund					246,960	(415,073)	(168,113)		(168,113)
Increase in legal reserve		1,163,758	(1,163,758)				-		-
Repurchase of shares	(249,310)		(3,079,173)				(3,328,483)		(3,328,483)
Dividends declared			(16,056,467)				(16,056,467)		(16,056,467)
Shares issued for the payment of the contingent liability	67,159						67,159		67,159
Purchase of shares of non-controlling interests			(236,700)				(236,700)	(111,671)	(348,371)
Comprehensive income			22,716,891	235,018			22,951,909	(3,671)	22,948,238
Balance at December 31, 2013	45,777,573	6,949,333	92,551,723	397,799	2,314,940	(5,061,161)	142,930,207	20,374	142,950,581
Movements in employee stock option plan fund					149,061	(537,098)	(388,037)		(388,037)
Increase in legal reserve		1,135,845	(1,135,845)				-		-
Repurchase of shares	(318,964)		(3,677,377)				(3,996,341)		(3,996,341)
Dividends declared			(23,887,088)				(23,887,088)		(23,887,088)
Shares issued for the payment of the contingent liability	65,114						65,114		65,114
Purchase of shares of non-controlling interests			(11,408)				(11,408)	(6,077)	(17,485)
Comprehensive income			30,425,945	5,084,183			35,510,128	8,948	35,519,076
Balance at December 31, 2014	Ps. 45,523,723	Ps. 8,085,178	Ps. 94,265,950	Ps. 5,481,982	Ps. 2,464,001	Ps. (5,598,259)	Ps. 150,222,575	Ps. 23,245	Ps. 150,245,820

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Notes 1 and 3)

Amounts in thousands of Mexican pesos

	Year ended December 31	
	2014	2013
Operating activities		
Income before taxes on profits	Ps. 34,562,162	Ps. 31,620,392
Items related to investing activities:		
Depreciation and amortization	9,279,214	8,689,694
Loss from disposal of property, equipment and impairment	383,433	187,803
Impairment in goodwill	456,988	-
Contingent liability and effect of repatriation of earnings from Walmart Central America reversal	(1,598,604)	-
Stock option compensation expense	332,533	351,898
Interest earned	(480,560)	(539,565)
Items related to financing activities:		
Interest payable under finance leases	1,212,003	1,113,361
Accrued interest on contingent liability	24	42,206
Discontinued operations	1,572	1,157,843
Cash flow from results of operations	44,148,765	42,623,632
Variances in:		
Accounts receivable	2,734,387	(2,169,222)
Inventories	(2,789,949)	(4,803,437)
Prepaid expenses and other assets	204,214	(273,549)
Accounts payable to suppliers	4,416,632	2,887,686
Other accounts payable	1,338,759	905,405
Taxes on profits	(10,638,552)	(9,997,166)
Employee benefits	148,623	(19,774)
Discontinued operations	(1,410,379)	(450,736)
Net cash flow from operating activities	38,152,500	28,702,839
Investing activities		
Purchase of property, equipment and software	(12,690,969)	(13,987,014)
Employee stock option plan fund	(720,570)	(520,011)
Interest collected	480,560	539,565
Purchase of shares of non-controlling interests	(17,503)	(348,371)
Proceeds from sale of property and equipment	120,170	182,212
Business disposal	8,744,186	-
Discontinued operations	(28,593)	(157,272)
Net cash flow used in investing activities	(4,112,719)	(14,290,891)
Financing activities		
Dividends paid	(21,642,721)	(16,056,467)
Repurchase of shares	(3,996,341)	(3,328,483)
Payment of finance leases	(1,604,607)	(1,352,533)
Discontinued operations	-	(39,517)
Net cash flow used in financing activities	(27,243,669)	(20,777,000)
Effect of changes in the value of cash	122,245	(668,686)
Net increase (decrease) in cash and cash equivalents	6,918,357	(7,033,738)
Cash and cash equivalents at beginning of year	21,129,491	28,163,229
Cash and cash equivalents at end of year	Ps. 28,047,848	Ps. 21,129,491

The accompanying notes are an 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, 2014 AND 2013

Amounts in thousands of Mexican pesos, except where otherwise indicated

1.- DESCRIPTION OF THE BUSINESS AND RELEVANT EVENTS:

a. Description of the business

Wal-Mart de México, S.A.B. de C.V. (or "the Company") is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Colonia Santa Cruz Acayucan, C.P. 02770, in Mexico City, Mexico. The principal shareholder of is Wal-Mart Stores, Inc., a U.S. corporation, through Intersalt, S. de R.L. de C.V., a Mexican company with a 70.31% shares ownership.

WALMEX holds 99.9% equity interest in the following groups of companies in Mexico and Central America:

Group	Line of business
Nueva Walmart	Operation of 1,660 (1,589 in 2013) Bodega Aurrerá discount stores, 251 (243 in 2013) Walmart hypermarkets, 159 (156 in 2013) Sam's Club membership self-service wholesale stores, 93 (92 in 2013) Superama supermarkets and 10 Medimart pharmacies in both years.
Suburbia	Operation of 116 (109 in 2013) Suburbia stores specializing in apparel and accessories for the entire family
Importing companies	Import goods for sale
Real estate	Property developments and management of real estate companies.
Service companies	Rendering of professional services to Group companies and not-for-profit services to the community at large, and shareholding.
Walmart Bank	Operation of 130 (201 in 2013) bank branches
Walmart Central America	Operation of 477 (466 in 2013) discount stores (Despensa Familiar and Palí), 96 (100 in 2013) supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 94 (75 in 2013) discount warehouse stores (Maxi Bodega and Maxi Palí), 22 (20 in 2013) Walmart hypermarkets and 1 ClubCo membership self-service wholesale stores in both years. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

b. Relevant events

I. Legal proceedings

Wal-Mart de México, S.A.B. de C.V. ("**WALMEX**") is a subsidiary of Wal-Mart Stores, Inc. ("WMT"). WMT owns approximately 70% of the shares and voting power in **WALMEX** and has the ability to designate at least a majority of the directors of **WALMEX**. The remaining shares of **WALMEX** are publicly traded on the Mexican Stock Exchange and, to the best of the knowledge of **WALMEX**, no shareholder other than WMT and its affiliates owns more than 2% of the outstanding shares of **WALMEX**.

Currently, the Board of Directors of **WALMEX** is composed of 11 directors and 4 alternates. The Audit Committee and the Corporate Governance Committee of the Board of Directors are composed exclusively of independent directors (including alternate directors).

WMT is subject to a wide variety of laws and regulations in the United States of America and in the countries in which it operates, including but not limited to the U.S. Foreign Corrupt Practices Act (the "FCPA").

As **WALMEX** publicly disclosed on April 23, 2012, WMT is the subject of an investigation under the FCPA by the U.S. Department of Justice and the U.S. Securities and Exchange Commission following a disclosure that WMT made to those agencies in November 2011.

The Audit Committee of the Board of Directors of WMT, which is composed solely of independent directors, is conducting an internal investigation into, among other things, alleged violations of the FCPA and other alleged crimes or misconduct in connection with foreign subsidiaries, including **WALMEX** and whether prior allegations of such violations and/or misconduct were appropriately handled by WMT. The Audit Committee of WMT and WMT have engaged outside counsel from a number of law firms and other advisors who are assisting in the on-going investigation of these matters. **WALMEX** has also engaged outside counsel to assist in these matters.

WMT is also conducting a voluntary global review of its policies, practices and internal controls for FCPA compliance. WMT is engaged in strengthening its global anti-corruption compliance programs through appropriate remedial anti-corruption measures. **WALMEX** is taking part in such voluntary global review and strengthening of programs.

Furthermore, lawsuits relating to the matters under investigation have been filed by several of WMT's shareholders against it, its current directors, certain of its former directors, certain of its current and former officers and certain of **WALMEX's** current and former officers.

WALMEX is cooperating with WMT in the review of these matters and it intends to continue fully cooperating in such regard.

A number of federal and local government agencies in Mexico have also initiated investigations of these matters. **WALMEX** is cooperating with the Mexican governmental agencies conducting these investigations.

The Audit Committee and the Corporate Governance Committee of the Board of Directors of **WALMEX**, as well as the Board of Directors of **WALMEX**, have been informed about these matters and have determined, by an unanimous vote of the independent directors only, that it is in the best interests of **WALMEX** to continue to cooperate at this time with WMT and the U.S. and Mexican agencies conducting these investigations.

WALMEX could be exposed to a variety of negative consequences as a result of the matters noted above. There could be one or more enforcement actions in respect of the matters that are the subject of some or all of the ongoing government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desist orders or other relief, criminal convictions and/or penalties. The shareholder lawsuits may result in judgments against WMT and its current and former directors and current and former officers of WMT and **WALMEX** named in those proceedings. **WALMEX** cannot predict accurately at this time the outcome or impact of the government investigations, the shareholder lawsuits, the internal investigation and review. In addition, **WALMEX** expects to incur costs in responding to requests for information or subpoenas seeking documents, testimony and other information in connection with the government investigations, and it cannot predict at this time the ultimate amount of all such costs. These matters may require the involvement of certain members of **WALMEX's** senior management that could impinge on the time they have available to devote to other matters relating to the business. **WALMEX** may also see ongoing media and governmental interest in these matters that could impact the perception among certain audiences of its role as a corporate citizen.

WALMEX, its Board of Directors and its Audit Committee and Corporate Governance Committee will at all times ensure compliance with applicable Mexican law and ensure that they create value to **WALMEX**, acting diligently and adopting reasoned decisions, without favoring any shareholder or group of shareholders.

Although **WALMEX** does not presently believe, based on the information currently available and the advice of its external Mexican counsel, that these matters will have a material adverse effect on its business, given the inherent uncertainties in such situations, **WALMEX** can provide no assurance that these matters will not be material to its business in the future.

II. Sale of the restaurant line of business (Note 7 paragraph a)

On September 10, 2013, the Company reached a final agreement with ALSEA, S.A.B. de C.V. (ALSEA) for this company to acquire 100% of **WALMEX's** restaurant line of business, which included the Vips, El Portón, Ragazzi and La Finca ("VIPS") restaurant chains.

On March 5, 2014, **WALMEX** received a notification from the Federal Economic Antitrust Commission (COFECI per its acronym in Spanish), about the approval of the sale of the restaurant line of business to ALSEA, subject to certain conditions.

On April 8, 2014, the Company delivered to COFECI the supporting documentation related to its compliance of the conditions previously laid down by it to which the sale of the restaurant line of business was subject to approval.

On May 5, 2014, COFECI finally approved **WALMEX** to sell the restaurant line of business to ALSEA after all the conditions set by it were fulfilled.

On May 12, 2014, the Company informed to its shareholders and the investing public that on May 9, 2014, the sale of its restaurant line of business to ALSEA was materialized. The sale included 361 restaurants from which, 263 operate under the VIPS chain, 92 El Porton and 6 Ragazzi. Additionally, the transaction included intellectual property rights of the four chains, menus, product development, operation processes and others.

III. Sale of the Walmart Bank (Note 7 paragraph b)

On December 18, 2014, the Company reached an agreement with Grupo Financiero Inbursa, S.A.B. de C.V. (Inbursa) for this company to acquire 100% of Walmart Bank, and the creation of a commercial alliance to strength the offer of financial services to its clients. The closing of the transaction is subject to the approval of competent authorities and other conditions that are customary to these types of transactions.

2.- NEW ACCOUNTING PRONOUNCEMENTS:

The standards that are issued, but not yet effective, up to date to the issuance of the accompanying consolidated financial statements that are applicable to the Company, are described below:

- IFRS 9 *Financial Instruments*. In July 2014, the International Accounting Standards Board (IASB) issued the final version of the International Financial Reporting Standard (IFRS) 9 Financial Instruments, which describes the new requirements for classification and measurement, impairment and hedge accounting. This IFRS replaces the International Accounting Standard (IAS) 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 is permitted if the date of initial application is before February 1, 2015.
- IFRS 15 *Revenue from Contracts with Customers*. On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. This standard replaces, almost entirely, the existing standards on revenue recognition, applies to all revenue contracts and offers a five-steps model for the recognition and measurement of disposals of certain non-financial assets, as property and equipment, among others. Also, it requires the Company to make more use of estimates and judgments. Its application is mandatory for annual periods beginning on January 1, 2017, although early adoption is permitted. The transition will be made using a retrospective or modified approach.

The Company evaluated the application of these standards on its financial situation and estimates they will not have any impact of its consolidated financial statements.

Annual improvements 2010-2012 and 2011-2013 cycles.- These improvements were applicable beginning July 1, 2014 and did not have material effects on the financial situation nor in the results of the Company:

- IFRS 2 *Shared-based payments*
- IFRS 3 *Business combinations*
- IFRS 8 *Operating segments*
- IFRS 13 *Fair value measurement*
- IAS 16 *Property, plant and equipment*
- IAS 24 *Related party disclosures*
- IAS 40 *Investment property*
- Amendments to IAS 16 and IAS 38 – Clarification of the acceptable methods of depreciation and amortization

3.- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the significant accounting policies used in the preparation of the consolidated financial statements is described below. These policies have been applied consistently with those applied in the year ended December 31, 2013.

a. Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with IFRS issued by the IASB, as well as all the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued by the former Standing Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared on a functional basis, which allows for the disclosure of cost of sales separately from other costs, operating and administrative expenses, in conformity with IAS 1, *Presentation of Financial Statements*. The consolidated statement of comprehensive income also includes a separate operating income line to provide a better understanding of the Company's business performance.

The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions in some items.

Walmart Bank's financial statements, which are included in the Company's consolidated financial statements, were prepared based on the accounting criteria established by the Mexican National Banking and Securities Commission (CNBV per its acronym in Spanish), as issued as part of the General Provisions for Credit Institutions. Up to date, there are no significant differences between these standards and IFRS.

Before the financial statements of the Company's foreign subsidiaries are consolidated, they 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, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

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.

WALMEX has sufficient resources to continue operating as a going concern and accordingly, the accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis. The Mexican peso is the Company's functional and reporting currency.

b. Risk factors

The Company is exposed to the effects of future events that could affect the purchasing power and/or buying habits of its population. These events may be economic, political or social in nature and some of the most important are described below:

- I. Employment and salary. Positive or negative changes in employment and/or real salary levels could affect Mexico's per capita income and, consequently, the Company's business performance.
- II. Changes in interest rates and exchange rates. Historically, Walmart has generated cash surpluses in Mexico and Central America on which it earns financial income. A reduction in interest rates could cause a decrease in the Company's financial income, which would affect its earnings growth. However, the Company believes that a reduction in interest rates would actually have a positive effect on its business in the medium and long-term, since it would help improve the purchasing power of its customers. On the other hand, exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately hinder the Company's sales.

In compliance with its corporate governance policies, the Company has no transactions with derivative financial instruments.

- III. 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.
- IV. Inflation. Over the last few years, inflation rates in Mexico and Central America have remained at low levels. 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.
- V. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, they could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates.

c. Consolidation

The accompanying consolidated financial statements include the Financial Statements of **WALMEX** and those of its subsidiaries in which has control in Mexico and abroad, which are grouped as described in Note 1 paragraph a, and they are prepared for the same accounting period.

Subsidiaries are consolidated from the date on which control is transferred to **WALMEX**, and are no longer consolidated from the date that control is lost. The results of subsidiaries 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.

All related party balances and transactions have been eliminated in the consolidation, in conformity with IFRS 10, *Consolidated Financial Statements*.

Non-controlling interests represent the portion of equity interest in the net assets of a subsidiary not attributable to the controlling company. Non-controlling interests is presented as a separate component of equity.

d. Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits and highly liquid investments with original maturities of less than 90 days. Such investments are stated at historical cost plus accrued interest, not in excess of their market value.

Walmart Bank makes the monetary regulation deposits required by Banco de México (the Central Bank), the amounts of which are calculated based on traditional deposits in Mexican pesos.

e. Financial assets and liabilities

A financial instrument is any contract that give rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The Company determines the classification of its financial assets and liabilities at its 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, and accounts receivable, investments held to maturity or financial assets held for sale. The Company's financial assets primarily consist in trade receivables and other accounts receivable which are initially recognized at fair value.
- II. Financial liabilities. These liabilities are classified at its fair value, including accounts payable to suppliers, other accounts payable and financial leases, as required. The Company does not operate with derivative financial instruments.

Subsequent measurement of the Company's financial assets and liabilities is determined based on its classification.

At December 31, 2014 and 2013, the Company does not have liabilities recognized through profit or loss.

f. Accounts receivable and reserve for bad debts

The balance of Walmart Bank's loan receivables portfolio is represented by outstanding loan balances, plus uncollected earned interest. The preventive allowance for credit risks is presented net of portfolio balances.

WALMEX recognizes the reserve for bad debts at the time the legal collection process begins in conformity with its internal procedures.

g. Inventories

Inventories are valued using the retail method, except for merchandise for the Sam's Club, ClubCo and distribution centers, which are valued using the average-cost method. These inventory valuation methods are the same as those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at amounts not in excess of their net realizable value.

Inventory pertaining to the Agro-industrial Development of grains, edibles and meat is valued using the average-cost method.

Buying allowances are recognized in the income statement based on the turnover of the inventories that gave rise to them.

h. Prepaid expenses

Prepaid expenses are recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. At the time the goods are received, prepaid expenses are 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 presented net of accumulated depreciation.

Depreciation of property and equipment is computed on a straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements	2.5%	to	33.3%
Furniture and equipment	5.0%	to	33.3%

j. Lease

In conformity with IAS 17, Leases, the Company classifies its property lease agreements as either finance or operating leases.

A lease is considered a finance lease if it transfers substantially all the risks and rewards incident to ownership of the underlying property to the lessee, considering the renewals established in each lease agreement. Rent is recognized in the income statement over the lease term as incurred.

Lease agreements that do not qualify as finance leases are treated as operating leases. Fixed lease payments are recognized in the income statement on a straight-line method over the lease term. The commencement date of lease is considered the occupancy date of the leased property, including the lessee's rights to renewal. Variable lease payments are based on a percentage of the Company's sales, and are recognized as an expense in the period in which they are incurred.

k. Impairment in the value of property and equipment

Based on the guidelines of IAS 36, *Impairment of Assets*, the Company recognizes impairment in the value of property and equipment by applying the expected present value technique to determine value in use, considering each store or restaurant as the minimum cash generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit. These budgets generally cover five years and for those projected beyond five years, an expected growth percentage is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income in the other income, net line.

l. Intangible assets

Intangible assets are valued at the lower of either acquisition cost or their 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 tested annually for impairment, in conformity with IAS 36, *Impairment of Assets*. Definite-lived assets are amortized using the straight-line method.

m. Assets and liabilities held for sale and discontinued operations

In conformity with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

These assets are not subject to depreciation and are measured at the lower of their previous carrying amount and fair value less costs to sell.

Assets and liabilities that meet the criteria to be classified as held for sale are presented separately in the statement of financial position from the rest of the assets and liabilities.

Incomes, expenses and costs related to this transaction are separately disclosed and recognized as part of the discontinued operations line in the consolidated statement of comprehensive income.

n. Liabilities and provisions

In conformity with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, accrued liabilities are recognized whenever the Company has current obligations (legal or assumed) resulting from past events, that can be reasonably estimated and that will most likely give rise to a future cash disbursement for their settlement. Reimbursements are recognized net of the 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.

Liabilities for traditional deposits of the Walmart Bank are comprised of demand deposits in debit card accounts and compulsory term deposits. These liabilities are recorded at deposit or placement cost, plus accrued interest.

o. Contingent liabilities

The contingent liability related to the acquisition of Walmart Central America is valued at present value at the date of the financial statements.

The acquisition will require additional payments in shares and in cash provided Walmart Central America reaches a certain profitability level during a period of no longer than ten years after the agreement signing date.

p. Taxes on profits

Taxes on profits are classified on 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 taxes on profits are determined based on the tax laws approved in the countries on which **WALMEX** has operations, and is 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. It is presented as a current liability/asset net of prepayments made during the year.

Deferred taxes on profits are recognized using the asset and liability method, in conformity with IAS 12, *Income Taxes*. Under this method, deferred taxes are recognized on all temporary differences between the financial reporting and tax values of assets and liabilities, applying the enacted income tax rate, effective as of the date of the consolidated statement of financial position, or the enacted rate that will be in effect when the deferred tax assets and liabilities are expected to be recovered or settled.

The Company periodically evaluates the possibility of recovering deferred tax assets.

q. Employee benefits

In conformity with the laws of each country in which the Company operates, the termination benefits for retirement or death to which the Company's employees are entitled, are as follows:

Mexico:

Seniority premiums accruing to employees under the Mexican Labor Law and termination retirement benefits are recognized as a cost of the years in which services are rendered, based on actuarial computations made by an independent expert, using the projected unit credit method, in conformity with IAS 19, *Employee Benefits*.

Actuarial gains and losses are recognized as they accrue directly in the consolidated statement of comprehensive income, in conformity with IAS 19.

Employee profit sharing is presented in operating results as part of the general expenses line and represents a liability due and payable in less than one year.

All other payments accruing to employees or their beneficiaries in the event of involuntary retirement or death, in terms of the Mexican Labor Law, are expensed as incurred.

Central America:

Labor termination benefits at retirement to which the employees of the Walmart Central America companies are entitled, under the labor laws of each country are recognized as a cost during the years the employees render their services based on the actuarial calculations for each country carried out by independent experts, using the projected unit credit method, in conformity with IAS 19.

In Guatemala, employees are entitled to labor termination benefits at retirement after three years of service in the Company, except in the case of justified dismissals.

In El Salvador and Honduras, employees are entitled to labor termination benefits at retirement after one year of service in the Company, except in the case of justified dismissals.

In Nicaragua, payouts for labor termination benefits at retirement vary from one to five months of salary for the period the services were provided.

In Costa Rica, labor termination benefits at retirement are paid to employees based on current corporate policy and in conformity with the laws of such country.

r. Equity

Legal reserve:

In conformity with the Mexican Corporations Act, the Company appropriates at least 5% of the net income of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's capital stock.

Employee stock option plan fund:

The employee stock option plan fund is comprised of **WALMEX** shares presented at acquisition cost. The plan is designed to grant stock options to executives of the companies in the Group, as approved by the CNBV.

All employee stock options are granted to executives of subsidiary companies at a value that is no less than the market value on the grant date.

In accordance with current corporate policy, **WALMEX** executives may exercise their option to acquire shares in equal parts over five years. The right to exercise an employee stock option expires after ten years as of the grant date or after sixty days following the date of the employee's termination.

The compensation cost of stock option is calculated using the Black-Scholes financial valuation technique, in conformity with IFRS 2, *Share-Based Payments*.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares granted under the stock option plan and the value at which such shares were sold to executives of companies in the Group, net of the corresponding income tax.

s. Revenue recognition

Revenue from merchandise sales is recognized in the consolidated statement of comprehensive income at the time ownership of the products sold is transferred to the customer and the services income at the time the service is provided, in conformity with IAS 18, *Revenue*.

Sam's Club and ClubCo membership income is deferred over the twelve-month term of the membership and it is presented in the other revenues line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered into with third parties and it is presented in the other revenues line in the consolidated statement of comprehensive income.

The Company recognizes the net amount of cell phone minutes revenues in the net sales line in its consolidated statement of comprehensive income at the time the service is provided.

Walmart Bank's interest and fee revenues are recognized as they accrue in the other revenues line in the consolidated statement of comprehensive income.

Revenues from the sale of waste, extended warranties and service commissions are recognized in the other revenues line in the consolidated statement of comprehensive income at the time ownership of the products sold is transferred to the customer or the service is provided.

t. Basic earnings per share attributable to owners of the parent

The basic earnings per share is the result of dividing the net income of the year attributable to owners of the parent by the weighted average number of outstanding shares, in conformity with the guidelines of IAS 33, *Earnings per Share*. Diluted earnings per share is the same as basic earnings per share since there is currently no potentially dilutive common stock.

u. Operating segments

Segment financial information is prepared based on the information used by the Company's senior management to make business decisions and assess the Company's performance. Segment information is presented based on the geographical zones in which the Company operates, in conformity with IFRS 8, *Operating Segments*.

v. Foreign currency transactions

The Company's foreign currency denominated assets and liabilities are translated to 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 under the financial expenses, net line, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

4.- CASH AND CASH EQUIVALENTS:

An analysis of cash and cash equivalents at December 31, 2014 and 2013, is as follows:

	December 31,		December 31,	
	2014		2013	
Cash and cash in banks	Ps.	11,820,670	Ps.	7,826,506
Highly marketable investments		16,227,178		13,302,985
	Ps.	28,047,848	Ps.	21,129,491

5.- ACCOUNTS RECEIVABLE, NET:

An analysis of accounts receivable at December 31, 2014 and 2013, is as follows:

	December 31,		December 31,	
	2014		2013	
Recoverable taxes	Ps.	4,198,189	Ps.	3,958,463
Walmart Bank portfolio		-		5,307,153
Trade receivables		1,829,013		3,549,235
Other accounts receivable		603,134		606,153
Reserve for bad debts		(248,015)		(642,591)
	Ps.	6,382,321	Ps.	12,778,413

At December 31, 2014, Walmart Bank portfolio is shown in the assets held for sale line, in conformity with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.

6.- INVENTORIES:

An analysis of inventories at December 31, 2014 and 2013, is as follows:

	December 31,		December 31,	
	2014		2013	
Merchandise for sale	Ps.	44,425,969	Ps.	41,262,225
Agro-industrial development		615,382		641,094
		45,041,351		41,903,319
Merchandise in transit		2,133,960		1,891,578
	Ps.	47,175,311	Ps.	43,794,897

7.-ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS:

As mentioned in Note 1 paragraph b, during 2014, the Company completed the sale of its restaurant division and announced the sale of Walmart Bank.

At December 31, 2014 and 2013, assets and liabilities held for sale, which are presented in the consolidated statement of financial position, correspond to Walmart Bank and the restaurant division, respectively.

The line of discontinued operations, which is presented in the consolidated statement of comprehensive income include the results of Walmart Bank and the restaurant division in both years.

Both transactions are explained below:

a) Sale of restaurant division

On May 9, 2014, the Company completed the sale of the restaurant division to ALSEA in the amount of Ps. 8,152 million pesos plus the amount of the operating working capital by Ps. 592 million pesos. This division operated with the “Vips”, “El Porton”, “Ragazzi” and “La Finca” chains. Additionally, ALSEA will pay **WALMEX** in the future rents over the units that are located in properties in which other **WALMEX's** formats coexists.

Vips transaction included a total of 361 restaurants of which 263 are “Vips”, 92 units of “El Porton” and 6 units of “Ragazzi”. Additionally, the transaction included intellectual property rights of the four chains, menus, product development, operation processes and others.

The main items of the result of the discontinued operation that is presented in the consolidated statement of comprehensive income for the period from January 1 to May 8, 2014, that include the effects derived from the sale, and for the year ended December 31, 2013 are shown below:

	May 8, 2014	December 31, 2013
Net revenues	Ps. 10,809,678	Ps. 5,987,465
Costs, expenses and taxes	(5,238,314)	(5,274,312)
Net income from discontinued operations	Ps. 5,571,364	Ps. 713,153

Legal, consulting, advisory and other expenses related with the business disposal are recognized in the year they are incurred in the line of discontinued operations in the consolidated statement of comprehensive income.

Assets and liabilities from the restaurant division at May 8, 2014 and at December 31, 2013, are as follows:

	May 8, 2014	December 31, 2013
Current assets	Ps. 962,901	Ps. 794,106
Property and equipment - net	2,910,307	3,116,581
Other assets	15,874	22,059
Total assets	Ps. 3,889,082	Ps. 3,932,746
Suppliers	Ps. 140,299	Ps. 180,996
Other liabilities	462,046	345,282
Current liabilities	602,345	526,278
Non-current liabilities	405,195	439,949
Total liabilities	Ps. 1,007,540	Ps. 966,227

b) Sale of Walmart Bank

As part of its business strategy, **WALMEX** reached an agreement to sell 100% of Walmart Bank to Inbursa at a price equivalent to 1.7 times its equity at the closing date of the transaction, and the creation of a commercial alliance to strength the offer of financial services to all its customers. The closing of the transaction is subject to approval by the competent authorities and other conditions that are customary for this type of transaction.

Assets and liabilities of Walmart Bank classified as held for sale at December 31, 2014 are shown below:

	December 31, 2014
Credit portfolio	Ps. 5,050,227
Other current assets	1,833,987
Current assets	6,884,214
Other non-current assets	1,104,144
Total assets	Ps. 7,988,358
Traditional deposits	Ps. 5,587,657
Other current liabilities	178,595
Current liabilities	5,766,252
Non-current liabilities	4,480
Total liabilities	Ps. 5,770,732

The main items of the result of the discontinued operation that is presented in the consolidated statement of comprehensive income for the year ended December 31, 2014 and 2013 are shown below:

	December 31, 2014	December 31, 2013
Total revenues	Ps. 1,726,085	Ps. 1,338,474
Costs, expenses and taxes	(1,903,384)	(1,327,224)
Net (loss) income from discontinued operations	Ps. (177,299)	Ps. 11,250

8.- PROPERTY AND EQUIPMENT – NET:

An analysis of property and equipment at December 31, 2014 and 2013, is as follows:

Property and equipment owned by the Company																						
	December 31, 2012		Additions	Disposals	Transfers	Translation effect	December 31, 2013		Additions	Disposals	Transfers	Translation effect	December 31, 2014									
Land	Ps.	28,785,120	Ps.	942,375	Ps.	(60,796)	Ps.	(186,479)	Ps.	52,910	Ps.	29,533,130	Ps.	472,204	Ps.	(50,955)	Ps.	119,948	Ps.	199,273	Ps.	30,273,600
Buildings		44,569,828		2,627,787		(73,056)		(2,802,621)		102,590		44,424,528		2,468,155		(53,886)		(289,336)		570,290		47,119,751
Facilities and leasehold improvements		36,286,002		3,403,164		(432,713)		579,073		36,634		39,872,160		1,884,859		(311,548)		760,719		277,300		42,483,490
Furniture and equipment		46,003,893		5,233,276		(2,325,188)		(1,498,123)		75,731		47,489,589		5,219,207		(1,865,997)		1,193,725		697,228		52,733,752
Subtotal		155,644,843		12,206,602		(2,891,753)		(3,908,150)		267,865		161,319,407		10,044,425		(2,282,386)		1,785,056		1,744,091		172,610,593
Accumulated depreciation		(52,974,405)		(8,241,071)		2,549,535		3,445,588		(42,463)		(55,262,816)		(8,531,668)		1,917,307		2,561		(577,278)		(62,451,894)
Work in process		3,029,404		1,677,410		5,965		(2,128,258)		27,417		2,611,938		2,527,164		(21,241)		(1,740,553)		106,653		3,483,961
Total	Ps.	105,699,842	Ps.	5,642,941	Ps.	(336,253)	Ps.	(2,590,820)	Ps.	252,819	Ps.	108,668,529	Ps.	4,039,921	Ps.	(386,320)	Ps.	47,064	Ps.	1,273,466	Ps.	113,642,660

Leased property and equipment																						
	December 31, 2012		Additions	Disposals	Transfers	Translation effect	December 31, 2013		Additions	Disposals	Transfers	Translation effect	December 31, 2014									
Buildings	Ps.	12,574,797	Ps.	1,454,057	Ps.	(145,643)	Ps.	(553,583)	Ps.	30,658	Ps.	13,360,286	Ps.	402,712	Ps.	(202,737)	Ps.	-	Ps.	139,179	Ps.	13,699,440
Furniture and equipment		1,717,339		420,528		(4)		(241,253)		-		1,896,610		169,218		-		(62,061)		-		2,003,767
Subtotal		14,292,136		1,874,585		(145,647)		(794,836)		30,658		15,256,896		571,930		(202,737)		(62,061)		139,179		15,703,207
Accumulated depreciation		(2,615,076)		(566,847)		54,967		324,569		(40,311)		(2,842,698)		(654,509)		172,133		23,929		(48,666)		(3,349,811)
Total	Ps.	11,677,060	Ps.	1,307,738	Ps.	(90,680)	Ps.	(470,267)	Ps.	(9,653)	Ps.	12,414,198	Ps.	(82,579)	Ps.	(30,604)	Ps.	(38,132)	Ps.	90,513	Ps.	12,353,396
Grand total	Ps.	117,376,902	Ps.	6,950,679	Ps.	(426,933)	Ps.	(3,061,087)	Ps.	243,166	Ps.	121,082,727	Ps.	3,957,342	Ps.	(416,924)	Ps.	8,932	Ps.	1,363,979	Ps.	125,996,056

Depreciation expense for the years ended December 31, 2014 and 2013, was Ps. 9,107,587 and Ps. 8,492,229, respectively.

Property and equipment impairment for the years ended December 31, 2014 and 2013, was Ps. 128,083 and Ps. 20,828, respectively.

At December 31, 2014 and 2013, the transfer column includes the reclassification of fixed assets held for sale of Walmart Bank by Ps. 23,651 and for the restaurant division by Ps. 3,116,581, respectively.

Work in process mostly consists of Company's investments mainly for the construction of new stores.

9.- INTANGIBLE ASSETS:

An analysis of intangible assets at December 31, 2014 and 2013, is as follows:

	December 31, 2014		December 31, 2013	
Goodwill	Ps.	28,020,341	Ps.	24,745,086
Trade marks		677,458		620,167
Licenses and software		280,741		445,893
Trade receivables		90,204		102,484
Patents		46,275		43,556
	Ps.	29,115,019	Ps.	25,957,186

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America at the acquisition date, plus the fair value of the non-controlling interests, computed in conformity with the guidelines in IFRS 3, *Business Combinations*.

Goodwill was assigned in conformity with IAS 38, *Intangible Assets*, 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 translated to the applicable exchange rates at year end and the corresponding effect is recognized in other comprehensive income items.

The Company engaged the services of an independent expert to test its goodwill for impairment. This evaluation was performed in conformity with IAS 36, *Impairment of Assets*, using the discounted cash flow technique (expected present value) to estimate the value in use of each cash generating unit based on the estimated revenues, costs, expenses, working capital requirements and fixed asset investments of each unit. This technique includes projection assumptions and value estimates and is consistent with the technique used to determine the purchase price of Walmart Central America at the time of the acquisition, which was the basis for estimating the goodwill to be allocated to each country.

Recoverable goodwill was computed based on value in use, which was calculated using cash flow projections considering the five-year business plan that underlies the decision making of the Company's senior management, except for El Salvador and Nicaragua, where the business plan covers ten years.

As a result of this study, at December 31, 2014, the Company recognized an impairment loss of Ps. 456,988 in the other income, net line and a translation effect of Ps. 70,223 in other comprehensive income items. At December 31, 2013, there were no indicators of impairment in the value of the Company's goodwill.

Trade marks represents those that were acquired at the time of the acquisition of Walmart Central America such as: Palí, Despensa Familiar, Maxi Bodega, ClubCo., among others. They are translated at the year end exchange rate and the corresponding effect is recognized in other comprehensive income items.

For the years ended December 31, 2014 and 2013, the Company acquired software in the amount of Ps. 151,989 and Ps. 288,454, respectively.

Licenses, software and customers amortization expense for the years ended December 31, 2014 and 2013, was Ps. 171,627 and Ps. 177,098, respectively.

10.- RELATED PARTIES:

a) Related party balances

At December 31, 2014 and 2013, the consolidated statement of financial position includes the following balances with related parties:

	December 31, 2014		December 31, 2013	
Accounts payable to suppliers:				
C.M.A. – U.S.A., L.L.C. (affiliate)	Ps.	990,986	Ps.	343,919
Global George, LTD. (affiliate)		6,625		34,451
	Ps.	997,611	Ps.	378,370
Other accounts payable:				
Wal-Mart Stores, Inc. (holding company)	Ps.	506,503	Ps.	413,092

At December 31, 2014 and 2013, balances receivable due from and payable due to related parties consist of current accounts that bear no interest, payable in cash and without guarantees.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Agreement for imports of merchandise for sale, interest-free and payable monthly.
- Agreement for purchase commissions with Global George that are payable on a recurring basis.
- Agreement for technical assistance and services with Walmart Stores that are payable monthly.
- Agreement for royalties for trademark use with Walmart Stores, payable quarterly based on a percentage of sales of the retail businesses.

The Company had the following transactions with related parties during the years ended December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
Import of merchandise for sale:		
C.M.A. – U.S.A., L.L.C. (affiliate)	Ps. 3,774,128	Ps. 3,131,719
Global George, LTD. (affiliate)	95,862	47,003
	Ps. 3,869,990	Ps. 3,178,722
Technical assistance, services and royalties:		
Wal-Mart Stores, Inc. (holding company)	Ps. 2,398,523	Ps. 2,164,810

c) Remuneration of principal officers

An analysis of remuneration to the Company's principal officers for the years ended December 31, 2014 and 2013 is as follows:

	December 31, 2014	December 31, 2013
Short-term benefits	Ps. 786,173	Ps. 754,508
Termination benefits	75,044	83,303
Share-based payments	21,070	93,951
	Ps. 882,287	Ps. 931,762

11.- OTHER ACCOUNTS PAYABLE:

An analysis of other accounts payable at December 31, 2014 and 2013, is as follows:

	December 31, 2014	December 31, 2013
Accrued liabilities and others	Ps. 9,542,377	Ps. 8,830,905
Dividends	2,300,168	40,639
Walmart Bank traditional deposits	-	4,807,951
Provisions	599,482	606,153
Finance lease (Note 12)	559,050	723,059
Related parties (Note 10)	506,503	413,092
Contingent liability (Note 12)	132,983	127,674
	Ps. 13,640,563	Ps. 15,549,473

At December 31, 2014, Walmart Bank traditional deposits are included in the liabilities related to assets held for sale, in conformity with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*.

At December 31, 2014, the Company has commitments totaling Ps. 12,737,320 (Ps. 10,150,325 in 2013) for the acquisition of inventories, property and equipment, as well as for maintenance services.

12.- OTHER LONG-TERM LIABILITIES:

At December 31, 2014 and 2013, the other long-term liabilities line includes the Company's obligations beyond one year under its finance leases and contingent liability, as described below.

a) Leases:

In order to determine if the suppliers transfer the right to use an asset, **WALMEX** analyses the provision of services agreement that do not have the legal form of a lease but that involve the use of an asset. **WALMEX** does not have a provision of services agreement that must be classified as a lease, in conformity with IFRIC 4, *Determining Whether an Arrangement Contains a Lease*.

The Company has entered into operating leases with third parties. Rental expense under these leases is recognized on a straight-line basis over the term of the lease agreements considering as the commencement date of the lease the occupancy date of the leased property and including the lessee's rights to renewal.

The Company has entered into property lease agreements that qualify as finance leases. These agreements are recorded at the lower of either the present value of future minimum lease payments or at the market value of the property, and they are amortized over the term of the lease agreements, which includes the lessee's rights to renewal.

The Company has entered into property lease agreements with third parties for compulsory terms ranging from 1 to 15 years.

The Company has also entered into finance leases for the rental of residual water treatment plants used to meet environmental protection standards. The terms of these agreements are 7 and 10 years.

Future rental payments are as follows:

Year	Operating leases (compulsory term)	Finance leases (minimum payments)	
		Present value	Future value
2015	Ps. 387,370	Ps. 559,050	Ps. 1,729,776
2016	Ps. 328,786	Ps. 493,621	Ps. 1,653,431
2017	Ps. 247,811	Ps. 443,562	Ps. 1,588,684
2018	Ps. 182,194	Ps. 394,202	Ps. 1,487,883
2019	Ps. 145,351	Ps. 341,787	Ps. 1,450,014
2020 and thereafter	Ps. 821,822	Ps. 10,896,513	Ps. 26,428,593

At December 31, 2014 and 2013, the liability derived from the use of the straight-line method under operating leases was Ps. 621,351 and Ps. 524,784, respectively, from which Ps. 22,485 and Ps. 25,085 are presented in the current liabilities line.

Total rent under operating leases charged to the income statement during the years ended December 31, 2014 and 2013 was Ps. 4,401,420 and Ps. 4,548,458, respectively.

b) Contingent liability

At December 31, 2014 and 2013, the Company recognized a contingent liability for contingent compensation related to the acquisition of Walmart Central America of Ps. 132,983 and Ps. 1,069,197, respectively. This contingent compensation represents future payments in shares and in cash.

An analysis of the payments made by the Company in cash and shares in February of each year to cover the contingent liability payable as part of acquisition is as follows:

	2014	2013
Payment in shares	Ps. 65,114	Ps. 67,159
Payment in cash	62,560	64,526
Total payment of contingent liability	Ps. 127,674	Ps. 131,685
Number of Series "V" shares issued	2,114,312	1,606,084

13.- TAXES ON PROFITS:

Effective January 1, 2014, **WALMEX** as an integrating entity and its integrated subsidiaries in Mexico, determine and pay its income tax under the optional integration regime for groups of entities.

An analysis of taxes on profits charged to the income statement for the years ended December 31, 2014 and 2013, is as follows:

	December 31, 2014	December 31, 2013
Current year tax	Ps. 10,863,537	Ps. 9,161,839
Deferred tax	(1,342,203)	469,736
Total	Ps. 9,521,334	Ps. 9,631,575

An analysis of the effects of the temporary differences giving rise to deferred tax assets and liabilities at December 31, 2014 and 2013, is as follows:

	December 31, 2014	December 31, 2013
Deferred liability:		
Property and equipment	Ps. 8,156,133	Ps. 9,133,637
Prepaid expenses	281,314	288,507
Repatriation of earnings from Walmart Central America	-	1,238,918
	8,437,447	10,661,062
Deferred assets:		
Inventories	(544,447)	(663,248)
Advance collections	(536,933)	(191,539)
Labor obligations	(461,510)	(376,605)
Other long term liabilities	(460,544)	(396,566)
Provisions	(179,844)	(181,846)
Reserve for bad debts	(59,052)	(368,841)
Tax losses carryforward from subsidiaries	(29,301)	(1,039,272)
Other items	(343,968)	(591,487)
	(2,615,599)	(3,809,404)
Total	Ps. 5,821,848	Ps. 6,851,658

Walmart Bank deferred tax is included in the assets held for sale line.

The reconciliation between the statutory tax rate and Company's effective tax rate for the year ended December 31, 2014 and 2013, is as follows:

	2014	2013
Statutory tax rate	30.0%	30.0%
Non-deductible expenses from payments to associates exempt from income tax	0.9%	-
Reversal of repatriation of earnings from Walmart Central America	(1.2)%	-
Effect from changes in rates	-	1.6%
Other items	(2.2)%	(1.1)%
Effective tax rate	27.5%	30.5%

Income tax rates applicable are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	28%
Honduras	30%
Nicaragua	30%
El Salvador	30%

The Company has tax losses from Walmart Bank by Ps. 2,904,562 and from other subsidiaries by Ps. 100,298, that, in conformity with the current Mexican Income Tax Law, may be carried forward against the taxable income generated in future years, as follows:

Year of expiration	Amount
2017	Ps. 246
2018	381,531
2019	868,102
2020	842,130
2021	657,091
2022	158,596
2023	858
2024	96,306
	Ps. 3,004,860

14.- EMPLOYEE BENEFITS:

Annually, the Company engages an independent expert to perform the actuarial calculations related to its labor obligations and it is prepared in conformity with IAS 19, *Employee Benefits*.

Mexico:

The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Workers make no contributions to this fund. Also, the Company recognizes the liability for termination benefits for retirement. These obligations are determined using the projected unit credit method.

At December 31, 2014 and 2013, an analysis of the Company's assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority Premiums		Retirement benefits	
	2014	2013	2014	2013
Defined benefit obligations	Ps. 855,596	Ps. 736,256	Ps. 113,410	Ps. 97,307
Plan assets	(684,207)	(612,821)	-	-
Net projected liability	Ps. 171,389	Ps. 123,435	Ps. 113,410	Ps. 97,307

Changes in the net present value of the defined benefit obligations (DBO) at December 31, 2014 and 2013, are shown below:

	Seniority Premiums		Retirement benefits	
	2014	2013	2014	2013
DBO at beginning of year	Ps. 736,256	Ps. 786,744	Ps. 97,307	Ps. 103,353
Net period cost charged to the results:				
-Labor cost from actual services	107,486	117,115	6,317	6,764
-Interest cost on DBO	53,744	53,384	7,133	7,074
Other comprehensive income items	39,193	(64,760)	3,718	(11,559)
Benefits paid	(77,668)	(66,147)	-	-
Transfers	(3,415)	(90,080)	(1,065)	(8,325)
DBO at year end	Ps. 855,596	Ps. 736,256	Ps. 113,410	Ps. 97,307

Changes in the net present value of the plan assets (PA), at December 31, 2014 and 2013, are shown below:

	Seniority premiums	
	2014	2013
PA at beginning of year	Ps. (612,821)	Ps. (603,038)
Expected return on plan assets	(44,481)	(40,535)
Other comprehensive income items	12,069	21,535
Plan contributions	(115,684)	(128,902)
Benefits paid	76,710	65,487
Transfers	-	72,632
PA at year end	Ps. (684,207)	Ps. (612,821)

Valuation techniques used by the Company to determine and disclose the fair value of its financial instruments is based on a Level 1 hierarchy (market quotes in active markets considering similar assets or liabilities at fair value) in conformity with IFRS 13 *Fair value measurement*.

At December 31, 2014, the plan assets have been invested through the trust mostly in money market instruments.

At December 31, 2014 and 2013, actuarial gains/losses from the labor obligations are recognized in the other comprehensive income items line by Ps. 145,241 and Ps. 90,261, respectively.

Central America:

At December 31, 2014 and 2013, changes in the net present value of the DBO, is shown below:

	2014	2013
	Ps. 750,835	Ps. 771,058
DBO at beginning of year		
Net period cost charged to the results:		
-Labor costs from actual services	112,665	113,108
-Interest cost on DBO	74,682	67,234
Other comprehensive income items	103,074	(2,223)
Benefits paid	(159,276)	(161,318)
Translation effects	138,125	(37,024)
DBO at year end	Ps. 1,020,105	Ps. 750,835

At December 31, 2014 and 2013, actuarial gains/losses from the labor obligations are recognized in the other comprehensive income items line by Ps. 226,104 and Ps. 123,030, respectively.

At December 31, 2014, the assumptions used in the actuarial valuations of Mexico and Central America, are as follows:

	Mexico	Central America
Financial:		
Discount rate	7.00%	7.19% -12.37%
Salary increase rate	5.25%	3.10% -7.50%
Minimum salary increase rate	4.00%	2.60% - 7.0%
Inflation rate	4.00%	2.60% - 7.0%
Biometrics:		
Mortality	IMSS97 ⁽¹⁾	RP – 2000 ⁽²⁾
Disability	21.07%	15.4%
Retirement age	65 years	60-65 years

(1) Experience from the Mexican Institute for Social Security for males and females.

(2) RP-2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

15.- EQUITY:

a. At ordinary meeting held on March 20, 2014, the shareholders adopted the following resolutions:

1. Approval of a cap of Ps. 5,000,000 on the amount the Company would use in 2014 to repurchase its own shares.
2. Cancellation of 107,608,000 series “V” shares resulting from the repurchase of shares.
3. Increase in the legal reserve of Ps. 1,135,845 to be charged to retained earnings.
4. A declared ordinary cash dividend of Ps. 0.52 pesos per share to be paid in four installments of Ps. 0.13 pesos per share on April 29, 2014, August 26, 2014, November 25, 2014 and February 24, 2015; and two extraordinary cash dividends, the first one of Ps. 0.46 pesos per

share to be paid in two installments, one of Ps. 0.27 pesos per share on April 29, 2014 and the second one of Ps. 0.19 pesos per share on November 25, 2014. The second extraordinary cash dividend of Ps. 0.40 pesos per share which is subject to the approval and closing of the sale of the Vips restaurant division.

b. At ordinary and extraordinary meetings held on March 14, 2013, the shareholders adopted the following resolutions:

1. Approval of a cap of Ps. 5,000,000 on the amount the Company would use in 2013 to repurchase its own shares.
2. Cancellation of 24,917,540 series “V” shares resulting from the repurchase of shares.
3. Increase in the legal reserve of Ps. 1,163,758 to be charged to retained earnings.
4. A declared cash dividend of Ps. 0.46 pesos per share to be paid on April 23, 2013 and two extraordinary cash dividends of Ps. 0.29 pesos per share and Ps. 0.17 pesos per share to be paid on April 23 and on November 26, 2013, respectively.
5. Approval of the comprehensive amendment to the Company's bylaws.

c. Capital stock is represented by registered shares with no par value. The Company's capital stock must be represented by a minimum of 3,000,000,000 shares and a maximum of 100,000,000,000 shares.

At December 31, 2014 and 2013, an analysis of historical paid-in stock and the number of shares representing it is as follows:

	December 31,		December 31,	
Capital stock	2014		2013	
Fixed minimum capital	Ps.	5,591,362	Ps.	5,591,362
Variable capital		36,982,593		37,215,773
Total	Ps.	42,573,955	Ps.	42,807,135
Number of freely subscribed common shares:		17,506,639,103		17,627,200,951

During the year ended December 31, 2014, **WALMEX** repurchased 122,676,160 (96,000,000 in 2013) of its own shares, of which 11,608,000 were cancelled as per the resolution adopted at the shareholders' meeting held on March 20, 2014. As a result of the share repurchases, the Company's historical capital stock was reduced by Ps. 298,294 (Ps. 233,133 in 2013). The difference between the theoretical value and the repurchase cost of the shares acquired was reflected against retained earnings.

- 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.

At December 31, 2014 and 2013, the total balance of the tax accounts related to equity is Ps. 102,436,241 and Ps. 104,813,504, respectively, in conformity of the current tax laws effective January 1, 2014.

Additionally the individuals residing in Mexico and residents abroad (individuals or corporations) are subject to pay income tax at an additional rate of 10% on dividends or profits distributed by corporations resident in Mexico. The latter are obliged to withhold tax to pay it to the federal treasury. The additional tax rate of 10% mentioned only applies to profits obtained beginning on 2014. For these purposes, the corporation is required to keep track of net taxable income (CUFIN) with the profits generated until December 31, 2013. From the balance of this account, dividends paid from January 1, 2014, will be subtracted and once exhausted, this balance will begin to withhold an additional tax rate of 10%. At December 31, 2014 and 2013, the Company had a balance of CUFIN with the profits generated as of December 31, 2013 of Ps. 48,547,901 and Ps. 55,367,880, respectively.

- e. The employee stock option plan fund consists of 242,253,520 **WALMEX** shares, which have been placed in a trust created for the plan.

The total compensation cost charged to operating results in the years ended December 31, 2014 and 2013 was Ps. 332,533 and Ps. 351,898, respectively, which represented no cash outlay for the Company.

Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance at December 31, 2012	250,645,068	22.81
Granted	38,214,955	39.21
Exercised	(55,080,437)	15.52
Cancelled	(9,002,077)	35.67
Balance at December 31, 2013	224,777,509	26.87
Granted	49,367,214	30.89
Exercised	(29,358,139)	15.71
Cancelled	(12,159,746)	35.19
Balance at December 31, 2014	232,626,838	28.70
Shares available for option grant:		
At December 31, 2014	9,626,682	
At December 31, 2013	7,199,150	

At December 31, 2014, an analysis of granted and exercisable shares under the stock option plan fund is as follows:

Year	Granted			Range of price (pesos)	Exercisable	
	Number of shares	Average remaining life (in years)	Weighted average price per share (pesos)		Number of shares	Weighted average price per share (pesos)
2005	11,085,363	0.2	9.90	9.90	11,085,363	9.90
2006	12,540,832	1.2	14.40	14.40-15.02	12,540,832	14.40
2007	11,486,202	2.2	21.54	21.54	11,486,202	21.54
2008	18,060,208	3.2	19.35	19.35	18,060,208	19.35
2009	22,593,935	4.2	16.02	15.85-22.80	22,593,935	16.02
2010	22,737,266	5.2	29.70	29.69-31.05	15,572,118	29.70
2011	25,750,092	6.2	33.75	33.70-33.75	11,213,760	33.75
2012	29,910,681	7.2	39.79	34.74-40.05	8,655,292	39.71
2013	32,324,470	8.2	39.21	39.17-41.89	3,807,693	39.22
2014	46,137,789	9.2	30.89	30.84-39.17	-	
Total	232,626,838	5.9	28.70		115,015,403	22.46

16.- OTHER REVENUES:

For the years ended December 31, 2014 and 2013, an analysis of other revenues related to the Company's primary business activities is as follow:

	December 31, 2014		December 31, 2013	
Memberships	Ps.	1,225,248	Ps.	1,212,672
Rental		964,532		839,743
Gasoline		268,675		306,159
Sale of waste		380,164		328,758
Service commissions		273,923		272,387
Parking		110,512		126,413
Others		106,266		159,814
Total	Ps.	3,329,320	Ps.	3,245,946

17.- FINANCIAL EXPENSES, NET:

An analysis of financial expenses, net for the years ended December 31, 2014 and 2013, is as follows:

	December 31, 2014		December 31, 2013	
Financial income				
Financial income	Ps.	1,044,108	Ps.	1,085,261
Exchange gain		61,745		54,562
		1,105,853		1,139,823
Financial expenses				
Interest on finance leases		1,212,003		1,113,361
Others		47,884		42,206
		1,259,887		1,155,567
Total	Ps.	(154,034)	Ps.	(15,744)

Financial income primarily consists of interest earned on investments and income earned on factoring transactions.

18.- SEGMENT FINANCIAL INFORMATION:

Segment financial information is prepared based on the information used by the Company's senior management to make business decisions and on the criteria established in IFRS 8, *Operating Segments*.

The Company operates in Mexico and Central America and sells to the general public, and it is primarily engaged in operating self-service stores.

The Company has identified the following operating segments by geographical zone:

Mexico:

- Self-service: Operation of discount stores, hypermarkets, wholesale-price membership stores and supermarkets.
- Others: Consists of department stores and real estate transactions with third parties.

Central America:

Operation of discount stores, supermarkets, hypermarkets, warehouse stores and wholesale-price membership stores in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

An analysis of financial information by operating segments and geographical zones is as follows:

Segment	Year ended December 31, 2014			
	Total revenues	Operating income	Financial expenses - net	Income before taxes on profits
Mexico:				
Self-service	Ps. 365,450,584	Ps. 29,250,810	Ps. -	Ps. -
Others	13,326,879	1,446,300	-	-
Central America:				
Self-service	62,210,271	2,877,470	-	-
Impairment of goodwill and cancellation of contingent liability	-	1,141,616	-	-
Consolidated	Ps. 440,987,734	Ps. 34,716,196	Ps. (154,034)	Ps. 34,562,162

Segment	Year ended December 31, 2013			
	Total revenues	Operating income	Financial expenses - net	Income before taxes on profits
Mexico:				
Self-service	Ps. 352,606,541	Ps. 27,789,651	Ps. -	Ps. -
Others	13,786,148	1,730,532	-	-
Central America:				
Self-service	57,430,278	2,115,953	-	-
Consolidated	Ps. 423,822,967	Ps. 31,636,136	Ps. (15,744)	Ps. 31,620,392

Segment	Year ended December 31, 2014			
	Purchase of property and equipment	Depreciation and amortization	Total assets	Current liabilities
Mexico:				
Self-service	Ps. 9,136,037	Ps. 7,282,731	Ps. 154,715,809	Ps. 50,868,727
Others	703,749	546,450	11,858,431	2,157,821
Unassignable Items	-	-	14,410,211	6,178,912
Assets and liabilities held for sale	-	-	7,988,358	5,770,732
Central America:				
Self-service	2,851,183	1,450,033	29,087,406	10,418,876
Goodwill and contingent liability	-	-	28,020,341	132,983
Consolidated	Ps. 12,690,969	Ps. 9,279,214	Ps. 246,080,556	Ps. 75,528,051

Segment	Year ended December 31, 2013			
	Purchase of property and equipment	Depreciation and amortization	Total assets	Current liabilities
Mexico:				
Self-service	Ps. 10,843,668	Ps. 6,712,881	Ps. 148,930,714	Ps. 45,484,529
Financial Services	73,334	-	6,350,972	5,055,558
Others	774,467	628,514	9,842,266	2,049,251
Unassignable Items	-	-	12,351,574	3,441,417
Assets and liabilities held for sale	-	-	3,932,746	966,227
Central America:				
Self-service	2,295,545	1,327,932	24,108,775	8,596,744
Goodwill and contingent liability	-	-	24,745,086	127,674
Consolidated	Ps. 13,987,014	Ps. 8,669,327	Ps. 230,262,133	Ps. 65,721,400

Unassignable items refer primarily to reserve land, cash and cash equivalents of the parent and real estate companies, as well as income tax payable.

At December 31, 2014 and 2013, assets and liabilities held for sale correspond to Walmart Bank and the restaurant division, respectively.

19.- APPROVAL OF THE FINANCIAL STATEMENTS:

The accompanying consolidated financial statements and its notes for the year ended December 31, 2014 and 2013 were approved for issue and public release by the Company's management on February 4, 2015. These financial statements and its notes were subsequently approved by the Company's Board of Directors in a meeting held on February 17, 2015.

Glossary

ADR	American Depositary Receipt
ANTAD	National Association of Self-service and Department Stores
Apparel stores	Offering the best in fashion for the whole family at the best possible price
Associate	Employee who works at Walmart de México y Centroamérica
Banco Walmart	Universal banking institution aimed at Walmart de México customers, with an initial offering of basic banking and financial products and services
Bodegas & discount stores	Austere stores offering basic merchandise, food and household items at the best prices
Clubs	Membership warehouse clubs focused on businesses and consumers who seek the best possible prices
CO ₂ eq	Carbon dioxide equivalent
Distribution Center	Location for the receipt of goods from suppliers and store distribution
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
Every Day Low Prices	Permanent philosophy of Walmart de México y Centroamérica, in order to contribute towards improving the quality of life for the region
Fonacot	National Fund for Workers' Consumption (<i>Fondo Nacional para el Consumo de los Trabajadores</i>)
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
IPC	Mexico's Consumer Price Index
ISR	Income Tax
IVA	Value Added Tax
MSE	Mexican Stock Exchange
Net sales	Income from the goods sold in our stores
Sales floor	Surface area set aside for merchandise retail
SMEs	Small and Medium-sized Businesses
Supermarkets	Self-service stores located in residential areas
Total income	Net sales plus other income
Walmart	Self-service stores providing the widest assortment of goods from groceries and fresh, to apparel and general merchandise
Walmex	Stock Symbol for Wal-Mart de México S.A.B. de C.V.

GRI Glossary

A	It is granted according to law
B	It is not required by law but the Company grants it
BA	Bodega Aurrerá
BAE	Bodega Aurrerá Express
C	Higher than law requirements
CAM	Central America
CR	Costa Rica
DCs	Distribution Center
DD	Due Diligence
DDJ	Despensas de Don Juan
ES	El Salvador
GFSI	Global Food Safety Initiative
GT	Guatemala
HN	Honduras
IGS	Institute of Global Sustainability
IMSS	Mexican Institute of Social Security
ITESM	Technological Institute of Monterrey
MB	Mi Bodega
ME	Private label
MG	General Merchandise
NC	Nicaragua
NGO	Non Governmental Organization
NOM	Mexican Official Standards
NWM	Nueva Walmart de México
Profeco	Consumer Protection Agency
SC	Walmart Supercenter
Sco	Social partner
SE	Secretary of Economy
Sectur	Secretary of Tourism
Semarnat	Secretary of Environment and Natural Resources
SME	Small and Medium Enterprise
SMGM	Monthly General Minimum Wage
SSA	Secretary of Health
TPI	Third Party Intermediary
Walmex	Walmart de México y Centroamérica



10

Materiality



Walmart de México y Centroamérica believes that Corporate Responsibility is a commitment to always doing the right thing. We have embarked on this journey of continuous improvement to achieve solid performance in social, environmental and corporate governance matters, with the firm conviction that our Company creates value and is true to its vision of improving the quality of life of families in Mexico and Central America.

Stemming from communication with our stakeholders, a socially responsible company is “one that shows its commitment to economic development and improves the quality of life, generates social programs, and works in favor of the environment, with the ability to identify its risks, be truly transparent in handling information, and holding dialogue with its stakeholders.”

Corporate Responsibility Management

In Mexico the Direction of Corporate Responsibility is in charge of the Executive Vice President of General Counsel and Institutional Affairs for Mexico and Central America. In Central America the Corporate Responsibility area is in charge of the Direction of Corporate Affairs, which reports directly to the head of Central America.

The strategy is reviewed in the Corporate Responsibility Committees developed in conjunction with the areas involved in each of the fields of endeavor; the Board of Directors is informed on these activities. It is fundamental to establish work plans, indicators, and policies and procedures so as to involve the organization in building a company with an increasingly robust Corporate Responsibility.

Corporate Responsibility Management is aimed at:

1. Involving top management in the scope of posed objectives, the analysis of challenges, the defining of the plan and in assuming leadership in the promoting of value generation;
2. Establishing long-term vision and strategic priorities;
3. Supporting the consolidation of structural changes, policies, and procedures;
4. Implementing individual performance metrics for top management by integrating the Corporate Responsibility Indicator in their performance evaluations, such that the score obtained and other variables have an impact on salary increase percentages.

Importance of Materiality in defining the strategy

As part of the commitment to align our strategy with the reality of the social and environmental context in which we operate, since 2009 Walmart de México y Centroamérica periodically updates the Materiality Study, as the core of our strategy for Corporate Responsibility.

The purpose of this study is to validate the direction of the strategic actions, as compared to the challenges currently faced, therefore making it possible to establish a long-term vision based on knowledge of the subject, its needs, and expectations.

Moreover, materiality allows for in-depth analysis of the Company’s situation in each of the primary subjects of Corporate Responsibility, leading to the proper identification of the challenges, strategic programs, long-term goals, and performance indicators that will enable meeting the highest of standards for social, environmental, and corporate governance issues. This is how we authenticate our interest in helping generate value for our stakeholders.

Materiality as an ongoing process

The materiality study –conducted by a third party in 2009 for Mexico and in 2010 for each of the countries in Central America– helped to establish our five strategic pillars: associates, suppliers, communities, the environment, and ethics. Moreover, based on the study results we were able to create programs with key objectives and specific action plans, and have a better approach with improved outcomes.

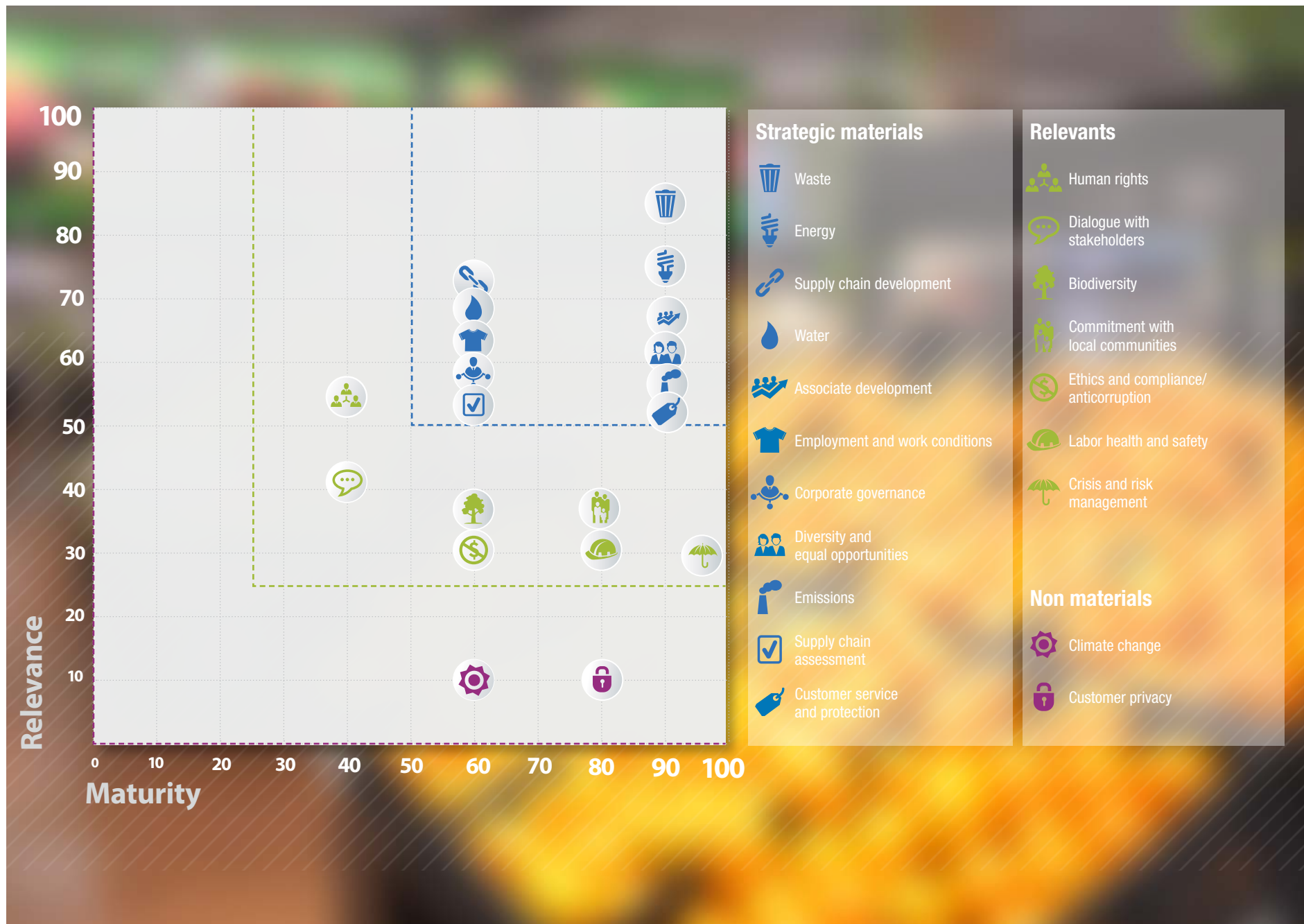
Each year the study is upgraded with internal surveys, measurement tools, and information on the perception and concerns of the most important stakeholders for the Company – our customers, suppliers, associates, communities and sustainable investors. All of this allows us to monitor the impact of Corporate Responsibility and its primary challenges.

In 2014 we requested to a third party firm to conduct a new materiality study, incorporating the following subjects:

Internal self-service sector trends
Context in the 6 countries where we operate
Stakeholder expectations and concerns

This updating process included the following stages:

1. Sector Materiality to identify maturity and importance of subjects managed by leading companies, and their future commitments;
2. Evaluation of current approaches for the Company;
3. Dialogue with customers, associates, suppliers, non-governmental organizations, opinion leaders and sustainable investors, conducted by third parties through surveys, one-on-one interviews and feedback sessions; and
4. Materiality of Walmart de México y Centroamérica, resulting in the validation of 11 strategic material aspects, 7 relevant aspects and 2 non-material ones.



We have integrated Materiality results to our Corporate Responsibility pillars in this report as follows:

a. Society:

- Customers: service and protection, privacy and supply chain assessment.
- Associates: development, employment and labor conditions, diversity and equal opportunities, human rights, and health and safety job.
- Suppliers: development of small-medium sized and low income local producers, supplier management and supply chain development.
- Community: commitment with local communities (fighting against hunger, contribute with sustainability through production chains, drive women's economic empowerment and local programs including volunteerism and disaster relief).

b. Environmental:

- Waste.
- Energy.
- Water.
- Emissions.
- Biodiversity.
- Climate change.
- Supply chain development.

c. Corporate governance:

- Ethics and compliance/ anticorruption
- Crisis and risk management.

GRI Guidelines

The report has been structured in accordance with guidelines published by the Global Reporting Initiative (GRI), and at Walmart de México y Centroamérica we seek to provide continuity with the clear and honest publication of our performance. In this edition we have published under G4 Guidelines, based on the principle of comprehensiveness.

Scope

The report presents the multi-format performance by Walmart de México y Centroamérica in the 6 countries where we operate. This includes the operation of our units, distributions centers and home offices.

Period

The information included in this report covers the period from January 1st to December 31, 2014.

GRI content

Indicator	Disclosure	Page	External Assurance
	Strategy and Analysis	2-4	NO
	Organizational Profile	6	NO
	Report Parameters	31, 71, 102-106	NO
	Report Scope	102-106	NO
	Governance, commitments and engagement	65-69	NO
Identified material aspects and boundaries			
G4-17	Operational structure, referencing the information in publicly available consolidated financial statements or equivalent documents	10-14	NO
G4-18*	Process for defining the report content and the aspect boundaries	106	NO
G4-19	List all the material aspects identified in the process for defining report content	105	NO
G4-20	For each material aspect, report the aspect boundary within the organization, report whether the aspect is material within the organization	103-106	NO
G4-21	For each material aspect, report the aspect boundary outside the organization	103-106	NO
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	There were no restatements of the information provided in previous reports.	NO
G4-23	Significant changes related to previous reports	106	NO
Stakeholder engagement			
G4-24	List of stakeholder groups engaged by the organization	103	NO
G4-25	Basis for identification and selection of stakeholders with whom to engage	104	NO
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	23, 40, 49, 104	NO
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	105	NO
Economic			
EC1	Direct economic value generated and distributed	110	NO
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	110	NO
EC3	Coverage of the organization's defined benefit plan obligations	110-111	NO
EC4	Financial assistance received from government	111	NO
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	111-112	NO
EC6	Proportion of senior management hired from the local community at significant locations of operation	112	NO
EC7	Development and impact of infrastructure investments and services supported	112	NO
EC8	Significant indirect economic impacts, including the extent of impacts	112	NO
EC9	Proportion of spending on local suppliers at significant locations of operation	113-115	NO
Environmental			
EN1	Materials used by weight or volume	116	NO
EN2	Percentage of materials used that are recycled input materials	116	NO
EN3	Energy consumption within the organization	116	NO
EN4	Energy consumption outside of the organization	116	NO
EN5	Energy intensity	116	NO
EN6	Reduction of energy consumption	116	NO
EN7	Reductions in energy requirements of products and services	117	NO
EN8	Total water withdrawal by source	118	NO
EN9	Water sources significantly affected by withdrawal of water	118	NO



* Walmart does not report the full process for defining the report content because it is an internal process of working within all areas of the company, this information is subject to specific confidentiality constraints.

GRI content

Indicator	Disclosure	Page	External Assurance
EN10	Percentage and total volume of water recycled and reused	118	NO
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	118	NO
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	118-119	NO
EN13	Habitats protected or restored	119-120	NO
EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	120	NO
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	121	NO
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	121	NO
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	121	NO
EN18	Greenhouse gas (GHG) emissions intensity	121	NO
EN19	Reduction of greenhouse gas (GHG) emissions	121-122	NO
EN20	Emissions of ozone-depleting substances (ODS)	122	NO
EN21	NOx, SOx, and other significant air emissions	122	NO
EN22	Total water discharge by quality and destination	122	NO
EN23	Total weight of waste by type and disposal method	123	NO
EN24	Total number and volume of significant spills	123	NO
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	124	NO
EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	124	NO
EN27	Extent of impact mitigation of environmental impacts of products and services	124	NO
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	124	NO
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	125	NO
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	125	NO
EN31	Total environmental protection expenditures and investments by type	125	NO
EN32	Percentage of new suppliers that were screened using environmental criteria	125	NO
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	125	NO
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	126	NO
oIEN	Other significant social responsibility and sustainability activities	126	NO
Labor practices and decent work			
LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	127	NO
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	128	NO
LA3	Return to work and retention rates after parental leave, by gender	128	NO
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	128	NO
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	129	NO
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender	129	NO
LA7	Workers with high incidence or high risk of diseases related to their occupation	130	NO
LA8	Health and safety topics covered in formal agreements with trade unions	130	NO
LA9	Average hours of training per year per employee by gender, and by employee category	130	NO
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	131	NO
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	131	NO
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	132	NO
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	132	NO
LA14	Percentage of new suppliers that were screened using labor practices criteria	132	NO
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	132	NO
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	132	NO

GRI content

Indicator	Disclosure	Page	External Assurance
Human rights			
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	133	NO
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	133	NO
HR3	Total number of incidents of discrimination and corrective actions taken	133	NO
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	134	NO
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	134	NO
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	134	NO
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	134	NO
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	135	NO
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	135	NO
HR10	Percentage of new suppliers that were screened using human rights criteria	135	NO
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	135	NO
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	135	NO
Society			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	136-138	NO
SO2	Operations with significant actual or potential negative impacts on local communities	138	NO
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	138	NO
SO4	Communication and training on anticorruption policies and procedures	139	NO
SO5	Confirmed incidents of corruption and actions taken	139	NO
SO6	Total value of political contributions by country and recipient/beneficiary	139	NO
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	139	NO
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	140	NO
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	140	NO
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	140	NO
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	140	NO
Product responsibility			
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	141	NO
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	142	NO
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	142	NO
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	143	NO
PR5	Results of surveys measuring customer satisfaction	143-144	NO
PR6	Sale of banned or disputed products	144	NO
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	145	NO
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	145	NO
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	145	NO
oIPR	Other significant product responsibility activities	146	NO

Performance indicators

Economic

ENVIRONMENTAL AND ECONOMIC													
Indicator	Content	2013 Mexico			2013 CAM			2014 Mexico			2014 CAM		
EC1 Direct economic value generated and distributed	Economic Value Generated (EVG)												
	Total income (mp)	367,731			57,430			378,778			62,210		
	Economic Value Distributed (EVD)												
	Operational costs (mp)	286,946			44,591			295,088			48,281		
	Community investments (mp)	464			43			466			38		
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change		<p>Walmex strategy, through corporate objectives and internal/external periodical communication, considers risk and opportunity evaluations, as well as initiatives for energy efficiency and reduction of Greenhouse Gas emissions. All initiatives are subject to a strict review process to ensure alignment with Walmart's general business strategy before approval. Risks and opportunities are evaluated at company, market and asset level, considering the scope of their impact. Information is continuously gathered to identify risks or opportunities from all possible sources: Corporate Offices, sales floor associates, industry contacts, consulting firms, government and NGOs, news agencies, professional organizations, lawmakers, investors and members of the financial community.</p> <p>Risks:</p> <ul style="list-style-type: none">Increased energy costs.Greater impact and frequency of natural disasters affecting location of stores, and their operation.Disruption of distribution routes due to Natural Disasters.Increase in the cost of raw materials and products due to limited availability of non-renewable resources such as water and agricultural inputs.Changes on the Legislation on climate change, which can impact on raw material or operation costs.Taxes or regulation limits on direct carbon emissions or the supply chain. <p>Opportunities:</p> <ul style="list-style-type: none">Renewable energy supply which offers greater stability in energy costs through time.Economic incentives to reduce greenhouse gas emissions.Less dependency on water supply from the network and increase in water reuse percentage.Optimization in use of raw material, specifically packaging.Enhance Logistics network efficiency and trip reduction.Less number of associate commuting via the use of teleconferences.											
EC3 Coverage of the organization's defined benefit plan obligations	Retirement Plans	Pension benefits granted according to law. Mexican Social Security Institute grants retirees old-age pension. Requirements: Being 60 or 65 years of age, and having worked at least 500 weeks under the registration of the Mexican Social Security Institute (by the 1973 law), or 1,250 weeks (by the 1997 law). The Company grants the extra benefit of a three-month payment for retirees, included in its Severance Policy.			Pension Plan in line with current legislation in each country.			Pension benefits granted according to law. Mexican Social Security Institute grants retirees old-age pension. Requirements: Being 60 or 65 years of age, and having worked at least 500 weeks under the registration of the Mexican Social Security Institute (by the 1973 law), or 1,250 weeks (by the 1997 law). The Company grants the extra benefit of a three-month payment for retirees, included in its Severance Policy.			CAM (except GT): Pension Plan as provided by each country's law. GT: As of april 30, the population recieves a life-long pension when retiring.		
	Other programs												
	Total associates benefited		%W	%W		%W	%W		%W	%W		%W	%W
	Transfers/ Relocations	5,385	53	47	2,878	35	65	4,652	51	49	2,814	35	65
	Victims of natural disasters												
	Supported associates			1,005			10			777			19
	Support amount (mp)			9			0.9			11			0.2

Economic

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	Agreements to benefit associates Benefited associates 217,050 Agreements to benefit associates 265 Savings from agreements to benefit associates 37 Medical support (government-related) (comprehensive vaccination campaigns, identification campaign and guidance) Benefited associates 28,406 Other programs			207,541 245 42 27,164	Independent Agreement through associations. NA
		<ul style="list-style-type: none"> • Healthy cafeteria in Azcapotzalco home office more than 1,200 associates benefited. • Nutritionist available in Toreo corporate office. • Communication of healthy menus provided by Mexico's Social Security. • My Sustainability Plan for staff associates to enhance habits and have a positive impact on quality of life and in benefit for the community. • Development of the Start Today, Live Healthy program, focused on health, stress and nourishment of associates. 	NA	<ul style="list-style-type: none"> • 18,907 associates treated by medical service units inside the different office buildings. • 2,411 associates treated by the nutrition center in the toreo Building. 	NA
EC4 Financial assistance received from government	Total monetary value	Walmex does not receive financial assistance from any government.			
EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		The company complies with and exceeds the minimum wage established by the authorities. Depending on the geographic area, our general pay scale is between 24.6 % and 31.4% above the average minimum wage. No gender distinctions Dif. \$ vs MGMW (monthly general minimum wage)	Every country in CAM has a statutory minimum wage, the company complies with wages fixed by the authorities. Minimum wage in each country equals the minimum contractual point, both for men and women at the entry-level positions of the Company.	The company complies with and exceeds the minimum wage established by the authorities. Depending on the geographic area, our general pay scale is between 33.1% and 40.5% above the average minimum wage. No gender distinctions Dif. \$ vs MGMW (monthly general minimum wage)	Every country in CAM has a statutory minimum wage, the company complies with wages fixed by the authorities. Minimum wage in each country equals the minimum contractual point, both for men and women at the entry-level positions of the Company.
	Geographic Area "A"				
	General tab	\$477 25%		\$678 33%	
	Select tab	\$887 46%		\$783 38%	
	Geographic Area "B"				
	General tab	\$579 31%		\$785 41%	
	Select tab	\$989 54%		\$890 46%	
	Geographic Area "C"				
	General tab	NA		NA	
	Select tab	NA		NA	

Economic

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	No border and no major problems attracting candidates cities General tab. Average salary. Select tab. Average salary. * Ranked lowest rank in the company subject to basic salary only (no tips or commissions) and corresponding to auxiliary cleaning was considered	\$2,977 53% NA The Federal District and the cities of Guadalajara and Monterrey have the highest headcount. Wherever the Company has significant operations, wages are based on the minimum ones.		\$3,215 57% NA The Federal District and the cities of Guadalajara and Monterrey have the highest headcount. Wherever the Company has significant operations, wages are based on the minimum ones.	
EC6 Proportion of senior management hired from the local community at significant locations of operation	Nationality Mexican/ CAM Foreign/ Expat Definition of "senior management"	The company has a diversity policy, thus the hiring process is focused in finding the best candidate for the position, regardless of this candidate's residence. Process: interviews, selection, psychometric evaluations, interview with the business unit committee, selection, financial offer, documents, file development, entering, welcome and training. 99 1	In keeping with local legislation, local residents have preference to a job. 99 1	The company has a diversity policy, thus the hiring process is focused in finding the best candidate for the position, regardless of this candidate's residence. Process: interviews, selection, psychometric evaluations, interview with the business unit committee, selection, financial offer, documents, file development, entering, welcome and training. 94 6	In keeping with local legislation, local residents have preference to a job. 81 19
EC7 Development and impact of infrastructure investments and services supported	Significant investment made in infrastructure (Facilities are mainly built to provide a service or public good: water supply, highways, schools and hospitals) or support services	NA			
EC8 Significant indirect economic impacts, including the extent of impacts	Improving the quality of life Openings Generated jobs (hiring and transfers) Save money to live better Supplier development	214 12,624	21 1,070	100 6,768	32 887
		Contributing towards improving the quality of life in Mexico and CAM. <ul style="list-style-type: none"> • Availability of medications, products and services for low income level people, improving their quality of life and financial capability. • Promoting social awareness in sustainability and community support. • Strengthening several areas, such as the textile industry. 			
		Walmex works closely with suppliers of all sizes that star showing their product in several stores. If their product is profitable, it is distributed in all stores of that business format. SMEs (many of them family-owned) have an increase in productivity, profitability, equipment and number of employees, among others.	Area in charge of serving and following up on Walmex supplier active portfolio. Suppliers are classified according to sales and we offer programs to improve their commercial conditions.	We work closely with suppliers of all sizes that star showing their product in several stores. If their product is profitable, it is distributed in all stores of that business format. SMEs (many of them family-owned) have an increase in productivity, profitability, equipment and number of employees, among others.	

Economic

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EC9	% of merchandise acquired in Mexico/ CAM	96	96	98	96
Proportion of spending on local suppliers at significant locations of operation					
	Total suppliers	23,132	4,176	22,682	3,971
	% domestic suppliers	84	61	88	77
	Definition of "local"	Local supplier: supplier providing a product or service within its own area of operation or State (ex., Veracruz suppliers provide for stores in Veracruz).	Local supplier is that which sells in the country; it may be manufacturer, distributor or importer.	Local supplier: supplier providing a product or service within its own area of operation or State (ex., Veracruz suppliers provide for stores in Veracruz).	Local supplier is that which sells in the country; it may be manufacturer, distributor or importer.
	Private Label				
	Self service				
	Products	1,915	1,144	2,201	1,287
	Suppliers	268	182	312	158
	% domestic/ regional suppliers	76	87	75	87
	% sale domestic/ regional supplier	93	91	95	90
	% sales from Private Label	3	10	5	9
	% import suppliers	24	13	25	13
	Sam's Club				
	Products			292	
	Suppliers			178	
	% domestic/ regional suppliers	NA		36	NA
	% sale domestic/ regional supplier			61	
	% sales from Private Label			9	
	% import suppliers			64	
	CAT-MEX				
	Synergies with domestic suppliers	77			
	New synergies	3			
	Products developed	9,438		NA	
	Inspected garment (million)	58.2			
	Exported pieces to CAM	115,674			
	Medimart				
	Domestic laboratories	16		13	
	International laboratories	9	NA	7	NA
	Total active products	369		320	
	New product launches	25		32	
	Savings in medication (mp)	1,845		2,116	

Economic

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	Fruits and Vegetables				
	% purchases from domestic/ regional supplier	85	80	87	79
	% purchases of domestic/ regional produc	78	80	79	
	% purchases directly from local grower	54	69 (includes Fertile Soil)	60	70
	% direct imports	12	18	13	21
	Meat				
	% purchases from domestic/ regional supplier	94	96	90	91
	% purchases of domestic/ regional produc	85	91	87	91
	% purchases directly from local grower	91	83	84	91
	% direct import	6	57	10	9
	Fish and Seafood				
	% purchases from domestic/ regional supplier	92	53	92	80
	% purchases of domestic/ regional produc	36	50	40	73
	% purchases directly from local grower	14	42	13	43
	% direct imports	8	63	8	57
	Poultry				
	% Domestic suppliers		99		99
	% Direct buys from producer		100		90
	Report if the organization has preferential policies or practices with local growers. Reasons that impact supplier selection, besides geographical location	There are no preferential conditions for local suppliers, although we do have programs to develop local suppliers and incorporate them in our portfolio (e.g. regional fairs, SME consultancy programs, and incorporation of local suppliers as 70-typed suppliers), the Sustainable Agriculture program and the marketing program for low-income farmers. There are programs in place, with the support of the SE, such as the installation of "SAP Business One". Business consultancy COMPITE".	There are no preferential conditions for local suppliers, although we do have programs to develop local suppliers and incorporate them in our portfolio: "One Hand to Grow"(manufacturing suppliers) and Fertile Soil (agricultural & industrial suppliers).	We developed the SME program for micro, small and medium enterprise. the program main objective is supporting particularly the smallest enterprises to increase sales throughout the country through our Merchandising and Supplier Development areas, via temporary supportive actions aimed at helping producers increase their productivity, competitiveness, sales and product positioning in our self-service stores.	There are no preferential conditions for local suppliers, although we do have programs to develop local suppliers and incorporate them in our portfolio: "One Hand to Grow"(manufacturing suppliers) and Fertile Soil (agricultural & industrial suppliers).
	Factors influencing the selection of suppliers in addition to their geographical location.	Innovation, competitive cost vs. market, delivery capability, compliance with legal, quality and sanitary standards required for the product, sustainable practices to contribute improve the environment and the community.			

Economic

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	SME Supplier Development Program				
	% SMEs in consultancy	70	51	74	64
	Attending information sessions	-	571	120	549
	Attending seminars	1,787	299 participants in 17 sessions	2,500	360 participants in 9 sessions, 42.5 hours
	New SME suppliers				
	New suppliers	257	25	108	16
	Sales from new suppliers (mp)	395		145	
	Walmart consultancy (man-hours)	805		1,572	
	Items from new suppliers	3,424		157	
	Regional Buyer Program				
	New Suppliers	50	122	48	32
	Sales generated (mp)	142	5 business rounds	15	4 business rounds
	Community Suppliers				
	Total suppliers		5,859		12,334
	Handcrafted Production				
	Producers	2,072		8,081	
	Sales (mp)	5		6	
	Inclusive Agriculture		NA		NA
	Growers	1,765		2,525	
	Purchases (mdp)	5		9	
	Fertile Soil Program				
	Small and Medium-sized farmers supported		1,733		1,419
	Benefited families		5,051		8,736
	Purchases generated (mp)	NA	1,835	NA	1,066
	One hand to grow				
	Suppliers		289		309
	Total sales (mp)		5,410		7,079

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EN1 Materials used by weight or volume	Materials used (kg) Non-renewable (kg) Diesel Natural Gas L.P. Gas Chemicals Flexible Plastic (bags, shrink wrap, sacks, canvasses, boxes, trays, etc) Renewable (kg) Bond paper (prints, TAB) Toilet paper Wood	102,441,809 10,035,843	3,002,535 1,077,297	104,371,185 10,178,599	2,690,882 ⁽²⁾ 1,116,844 ⁽²⁾
EN2 Percentage of materials used that are recycled input materials	% Plastic (bags with 30% recycled resin) % Bond paper % Toilet paper	30 68 100	0 NA NA	30 43 100	30 86 100
EN3 Energy consumption within the organization	Total internal consumption of energy (GJ) Renewable sources (GJ) Electricity (GJ) Non renewable sources (GJ) L.P. Gas Natural Gas Diesel Electricity Authorized calculation method	10,035,843 Power consumption data stem from supplier invoices. Conversion factor kWh to GJ is 0.0036 GJ/kWh.	1,077,297 With energy and fuel invoices; consumption is totaled depending on concept; total energy is afterwards determined in GJ through conversion factors.	10,178,599 6,020,933 Power consumption data stem from supplier invoices. Conversion factor kWh to GJ is 0.0036 GJ/kWh.	1,116,844 ⁽²⁾ With energy and fuel invoices; consumption is totaled depending on concept; total energy is afterwards determined in GJ through conversion factors.
EN4 Energy consumption outside of the organization		NA			
EN5 Energy intensity	Power intensity by m ² (internal and external)	Internal: 1.04	227	Internal: 0.92	217
EN6 Reduction of energy consumption	Total energy savings (GJ)	220,155	35,740	136,916	14,272

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EN7 Reductions in energy requirements of products and services	Direct Consumption		<ul style="list-style-type: none">• Changes in lightening.• Energy control, low-energy use equipment, energy savings best practices in operating areas.• Energy savings campaign with store best practices.		<ul style="list-style-type: none">• Installation of doors in open cooling units.• Lighting changes.• Energy control systems, Energy-efficient equipment, Energy-saving best practices in operating areas.• Energy-saving campaign with best practices at stores.
	Saving Initiatives (% estimated savings)				
	Energy management system	2		LED lighting replacement	12
	Conversion to T5 light	6.5		Optimum	7
	Magnetic induction in parking lot	2.5		Submeasuring	4
	Remote metering syste	3		Capacitor banks	2
	Optimization of control system	30		Doors for display cases	12
	LED lighting	12 (applied in Suburbia)		Entrance doors	4
	Door installation in open freezers	12		Dehumidifiers	5
				Control Systems	8
				Heater controls	2
	2025 goal: 100% powered by renewable energy				
	Renewable energy integration (%)	38	0	64	0
	Wind Farm	15	NA	51	NA
	Federal/state electric power companies	23	0	13	0
Other initiatives	<ul style="list-style-type: none">• Installation of LED lamps in parking lots and stores.• Optimization of the energy management system.• Installation of doors on open refrigerators.• Best practices internal campaign to reduce energy use.• Remote measuring system.	<ul style="list-style-type: none">• Installation of LED lamps in parking lots.• Installation of energy management devices.• Installation of equipment to reduce relative humidity.• Low energy use refrigeration equipment and air conditioning.	<ul style="list-style-type: none">• Installation of energy controllers• Energy-efficient cooling and air conditioning units.		
Reduction in Energy Consumption (%)	3	4	2	2	
Use per area (kWh/m²)	251	219	245	213	
Energy use (kWh)	144,067,305	274,481,039 ⁽¹⁾	1,412,774,087	288,799,253 ⁽²⁾	
Used calculation method	Total sum of energy use based on year-end billing, compared to LY energy use (comp stores in the same billing months).				

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EN8 Total water withdrawal by source	Total catchment (m³) Public network supply Wells Rainwater catchment Comp unit use Use per m² (m³/m²)	5,590,122 5,554,793 34,001 1,328 0.9	 322,981* 1,794,340* 2	5,527,577 5,511,911 15,666 0 0.9	 386,535* 1,901,103* 2
EN9 Water sources significantly affected by withdrawal of water		Regional use is not significant based on corresponding criteria.	There are no edverse effects.	Regional use is not significant based on corresponding criteria.	There are no edverse effects.
EN10 Percentage and total volume of water recycled and reused	Water reused (m³) % vs. total water use Water treatment plants	1,686,592 30 642	NA NA 221	1,756,375 32 665	NA NA 246
EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Supercenter Polígono Sur, Cancún (22,465 m²). The site had forest vegetation hence Semarnat authorizations were to be obtained and Flora and Fauna rescue activities were carried out. In addition forest offset equivalent to the land area was put in place.	SC Constitución, ES (27,373 m²). 1,516 trees planted in lands and 8,434 planted in "El Cedral" Natural Protected Area to offset emissions, construction of two surface run-off retaining structures, protection works in Quebrada Sur and Quebrada El Arenal, creation and stabilization of slopes. DCs El Coyoil, CR (300,000 m³). Relocation of fill material within the same property (balancing sites) avoiding the transfer and disposal of the material.	DCs Monterrey (98,526.51m²). The site had forest vegetation hence Semarnat authorizations were to be obtained and Flora and Fauna rescue activities were carried out. In addition forest offset equivalent to the land area was put in place.	We developed water treatment systems in 36 stores. We built storm-water detention or catcnment sytems in 24 units, thus minimizing impact in discharge points.
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Operation Impact	Significant impacts associated to the manufacturing process of products we commercialize have been identified. Impacts have not been measured, but are classified into two main categories: Ecosystem degradation resulting from food and consumer good manufacture. • Soil degradation caused by intensive farm practices. • Water and soil pollution caused by the use of pesticides. • Land use change for agriculture and cattle raising. • Deforestation to use the land for agriculture and cattle raising.	Sustainable fishery: • Aquaculture: ES 64%, CR 72%, NC 9%, HN 84% y GT 55% (vs. total sales).	Significant impacts associated to the manufacturing process of products we commercialize have been identified. Impacts have not been measured, but are classified into two main categories: Ecosystem degradation resulting from food and consumer good manufacture. • Soil degradation caused by intensive farm practices. • Water and soil pollution caused by the use of pesticides. • Land use change for agriculture and cattle raising. • Deforestation to use the land for agriculture and cattle raising.	Sustainable fishery: • Aquaculture: ES 72%, CR 79%, NC 12.5%, HN 84% y GT 87% (vs. total sales).

*Consumo sobre valores teóricosde diseño

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	Construction Impact	<p>Over-exploitation of Natural Resources</p> <ul style="list-style-type: none"> • Inefficient use of water resources for agricultural production and consumer good manufacture. • Soil Erosion • Unsustainable fishing practices <p>In order to mitigate the impact, the following initiatives have been put in place: Small farmers training on sustainable agricultural practices on the use of pesticides and fertilizers Sustainable Palm oil supply. Purchase of cellulose goods certified by the FSC or recycled fiber products.</p>		<p>Over-exploitation of Natural Resources</p> <ul style="list-style-type: none"> • Inefficient use of water resources for agricultural production and consumer goods manufacture. • Soil Erosion • Unsustainable fishing practices <p>In order to mitigate the impact the following initiatives have been put in place: Small farmers training on sustainable agricultural practices on the use of pesticides and fertilizers Sustainable Palm oil supply. Purchase of cellulose goods certified by the FSC or recycled fiber products. Implementation of the Sustainability Index to prioritize the environmental impact by item category.</p> <p>BA Escárcega Campeche, existence of Cedrela Odorata, that is the reason why a rescue program was put in place.</p>	
EN13 Habitats protected or restored	<p>Location and size of restores and/or protected habitats</p> <p>Third party collaborations on restoration and/or protection activities</p>	<p>Reforestation 47 ha, Sierra de Guadalupe Park, Edo. de Mexico. 60,000 trees during the project (2011-2013).</p>	<p>CR:</p> <ul style="list-style-type: none"> • Carara National Park, in Garabito de Puntarenas. Cleaning Day in garden areas, common areas and communal foot path embellishment. Removal of debris. • Corporate Volunteer Day I in Okayama Park in San Francisco Sports Center. Green area cleaning in parks. Tree fertilization, removal of debris and children's playgrounds painting. • Environment Day: Trasplant from nursery into bags in San Sebastián, San José. Some 300 species were transplanted and later on, 596 more. <p>NC:</p> <ul style="list-style-type: none"> • Some 200 associates worked in the National Zoo to revamp animal rescue areas, planting of butterfly host plants, waste deposit construction with recycled materials and overall cleanig in the area. 	<p>Maintenance workday in Aragón Forest, Gustavo A. Madero, Mexico City. Participation of more than 900 volunteers from Mondelex, Airwick and Walmex. Some 5,400 man hours were devoted to maintenance and enhancement works of the place, involving volunteers from 22 stores in the Gustavo A. Madero borough.</p> <p>One-year work committment to continuing with non specialized maintenance works carried out by our volunteers:</p> <ul style="list-style-type: none"> • Joint colaboration with San Juan de Aragón Forest Administration to apply antigraffiti painting in damaged areas. • Scent garden restoration. • Painting in the internal part of the Forest. 	<p>NC:</p> <ul style="list-style-type: none"> • 210 associates worked in the National Zoo to enhance the feline area of the zoo, the roof was repaired; cages were paited and plants were planted among them: butterfly host plants, ornamental and fuit-producing plants to feed monkeys and birds, thus providing better protection to species, besides cleaning green areas, the boulevard and the plant nursery. • Some 45 associates helped disabled teen-agers reforest their orchards with 370 citrus trees, thus contributing to the reforestation of the area and at the same time nourishing these teen-agers. • Volunteering activities pro store openings; in San Vicente de Paul nursing home, 50 associates got involved into humanitarian works and reforested a citrus- tree orchad benefitting elderly nourishment.

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
			ES: <ul style="list-style-type: none"> El Playón, Chanmico, natural protected area in San Juan Opico Municipality, La Libertad Department. 5,700 trees planted in 14 hectares. 1,516-tree offset in SC Constitución and 8,434-tree offset in El Cedral, natural protected area. GT: <ul style="list-style-type: none"> Campaign "Garbage?... the decision is in our hands" (¿Basura?...La decisión está en tus manos) - Environmental Education Program on waste disposal and separation, aimed at guiding the United Nations National Park visitors jointly with " Defensores de la Naturaleza Foundation. Reforestation, in the United Nations National Park, national protected area, more than 2,000 trees were planted in 2013 and more than 98 linear meters of wall have been built with Ecobricks. Some 980 trees were planted in Totonicapán. 		HN: <ul style="list-style-type: none"> Environment Day- Rossy Walther Zoo, in El Picacho. Participation of 150 associates in reforestation, cleanup works, cage- painting for protected animals; gardening works and embellishment of facades for this new stage of the Zoo. Reforestation of Escuela Pascual, located inside El Merendón Mountain Range, which is a protected area in San Pedro Sula, fruit and timber trees were planted, in addition to cleaning the basin, repaving and painting facilities. GT: <ul style="list-style-type: none"> Reforestation Campaign: 9,500 trees planted in 3 protected areas together with La Cerra Municipal Park, Los Aposentos Forest and United Nations National Parks. CR: <ul style="list-style-type: none"> Transplanting from nurseries into bags in San José Municipal Plant Nursery in Pavas. Fertilization of plants. 82 associates cleaned common areas, collected waste and recyclable materials to avoid dengue fever spreading conditions. Corporate volunteering activities in different parks of San José. Green area cleaning in parks, tree fertilization, waste collection and children's playground painting. Rio Siquiá surrounding areas were cleaned, exactly in the border with the meat and deli plant. Waste and garbage collection.
EN14 Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk				NA	

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	Direct emissions (Scope 1) Total emissions (tonCO ₂ eq) Total emissions related to the area built (kg/m ²) Norm and methodology used related to data	675,095 71	27,303 ⁽¹⁾ 22	613,381 63	26,436 ⁽²⁾ 20
EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Indirect emissions (Scope 2) Total emissions (tonCO ₂ eq) Total emissions related to the area built (kg/m ²) Norm and methodology used related to data	977,337 102.8	71,067 ⁽¹⁾ 56.2 ⁽¹⁾	836,073 85.1	69,490.8 ⁽²⁾ 51.2 ⁽²⁾
EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)	CO ₂ emissions resulting from merchandise transportation (tonCO ₂ eq) Emissions resulting from personnel transportation (tonCO ₂ eq)	206,864 3,040	28,316	187,011 4,682	30,137
EN18 Greenhouse gas (GHG) emissions intensity	GHG emissions per m ² (Scope 1, 2 and 3)	195.9	93.4	167.1	92.8
EN19 Reduction of greenhouse gas (GHG) emissions	Initiatives Emissions NOT generated by wind farm energy supply (tonCO ₂)	<ul style="list-style-type: none"> • Wind farm energy supply • Change in sales floor lighting (T5 lamps instead of T8). • LED lighting in parking lots and stores • Coolant leaks reduction program in refrigeration equipment. • Implementation of energy savings operational campaign. • Optimization of energy management system. • Trip reduction program for merchandise transportation. • Installation of doors on open refrigerators. • Control system for cooling doors resistors. • Electronic cooling system for the valves. 81,964	<ul style="list-style-type: none"> • Change in sales floor lighting (T5 lamps instead of T8). • Coolant leaks reduction program in refrigeration equipment. • Implementation of energy savings operational campaign. • Optimization of energy management system. • The main emission reduction initiative is related to the control of coolant leaks in 2013, reduced by 18.33% vs. the previous year. NA	<ul style="list-style-type: none"> • Power energy supply from four wind farms and a mini hydro electric power station. • Fluorescent power replaced by LED lighting. • Coolant leaks reduction program in refrigeration equipment. • Implementation of energy savings operational campaign. • Optimization of the energy supply system. • Trip reduction program for merchandise transportation. • Door installation in open cooling equipment. • Control system for cooling door resistors. • Deshumidifiers for cooling display cases. 253,363	<ul style="list-style-type: none"> • Coolant leaks reduction program in refrigeration equipment. • Implementation of operations energy-saving campaign. • Optimization of the energy supply system. • Air conditioning units replaced by high-efficient packages. • Door installation in all open cooling equipment. (except for vegetables). • Coolant leaks reduction. NA

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	Emissions NOT generated by trip reduction initiatives for merchandise distribution (ton)	30,907	NA	30,747	NA
	CO ₂ /m ² emission reduction vs. LY (%)	7	22 ⁽¹⁾	15	9
EN20 Emissions of ozone-depleting substances (ODS)	R-22 refrigerant (kg)	23,830	2,365	13,998	1,617
EN21 NO _x , SO _x , and other significant air emissions	Emissions resulting from merchandise transportation/ use of fossil fuels (ton)				
	NO _x emissions	3,493	30	3,641	32
	SO _x emissions	235	194	245	202
	PM particle emissions	472	2	491	2
	COP emissions	0.2	ND	0.1	NA
	CAP emissions	0.03	ND	0.01	NA
	VOC emission	470	0.8	490	0.8
EN22 Total water discharge by quality and destination	Total waste water discharged into municipal drainage systems (m³)	3,903,530	-	3,771,202	-
	Treated wastewater (m ³)	1,686,592		1,756,375	
	% Treated wastewater	28		38	
		Water treated complies with norms NOM 002 and 003, using biological systems.		Water treated complies with norms NOM 002 and 003, using biological systems.	
	Goals 2025: Generate zero pollutant discharges				
	Water used relate to the area built (m ³ /m ²)	0.9		0.9	
	Drinking water saved (comp units) %	8 (baseline 2012)		9 (baseline 2013)	
	% achieved vs. annual goal	112		131	
	% units with treatment plants	31	33	31	36
	Water savings initiatives	Initiatives integrated into store specifications: <ul style="list-style-type: none"> • Dry urinals in new and remodeled units. • Water reuse for sanitation services and green areas. • Water treatment plants in applicable new units and remodels. • Backwash water recovery filtration system. 	<ul style="list-style-type: none"> • Installation of 13 waste water treatment plants in new stores to mitigate environmental impact; impact was not measured. 	Initiatives integrated into store specifications: <ul style="list-style-type: none"> • Dry urinals in new and remodeled units. • Water reuse for sanitation services and green areas. • Water treatment plants in applicable new units and remodels. • Backwash water recovery filtration system. • Collection of condensed water in air conditioning equipment. 	<ul style="list-style-type: none"> • Installation of 25 waste water treatment plants in new stores to mitigate environmental impact; impact was not measured.

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EN23 Total weight of waste by type and disposal method	Total generated waste (ton) Total hazardous waste Total non hazardous waste Zero % waste Reused waste Recycled wastes Composted Waste Waste sent to landfill Inorganic wastes Units with recycling programs Goal for 2025: zero waste generation Goal for 2015: 76% of waste is not sent to final confinement Space released from landfills due to solid wastes recycling (m³) Treatment method determination	313,673 135 313,538 73 6,488 215,265 6,410 85,509 201,534 1,897 1,298,399	61 20,412 2,519 14,888 357 100% of stores, DCs, manufacturing plants and offices. 130,309	315,711 96 315,615 74 19,678 228,257 6,075 80,885 2,157 1,405,551	58 22,666 2,378 16,413 295 100% of stores, DCs, manufacturing plants and offices. 142,619
EN24 Total number and volume of significant spills	Location, volume, spill material. Spill consequences	No significant spills occurred.	41 chemical-leakage events were reported, no significant liquid chemical spills were reported by CAM operation. Problems with gas cylinders for sale impacted the market in CR, thus 32 gas leaks were reported by stores. In addition, 3 cooling gas leaks were reported and one waste-water spill occurred due to overflow in the system.	BA Altamira Tamaulipas: cleaning works required by the environmental authority were carried out over 211 m³ of soil with hydrocarbons, before the store was built.	26 Chemical leakage events. Operations CAM did not report any significant liquid chemical spills. Among the most relevant cases: 19 gas leaks in stores, 2 fuel spills and 3 wastewater overflow events occurred.

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Total weight of transported hazardous wastes (ton)	135	50	96	69
EN26 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff		NA			
EN27 Extent of impact mitigation of environmental impacts of products and services	Construction impact Actions taken to mitigate environmental impact as a result of the construction of our stores: Land: deforestation, tree cut down, and waste generation Air: waste generation Operation impact	Mitigation actions regarding construction impacts were carried out in 215 new stores. 1,342 products with low environmental impact, such as: <ul style="list-style-type: none"> • 543 organic and hydroponic food items (128 fair-business certified) • 390 energy and water saving products • 308 biodegradable and non-pollutant products • 72 products made of recycled material, 29 reusable • 70 acoustic booths for emergency plants (24 new) • 54 soundproof electric rooms (47 new) 	<ul style="list-style-type: none"> • Sustainable products developed by suppliers, but no commercial initiatives with suppliers for said type of products • Disposal of electronic materials: 49,670 kg 	Mitigation actions regarding construction impacts were carried out in 108 new stores. 1,591 products with low environmental impact, such as: <ul style="list-style-type: none"> • 526 organic and hydroponic food items • 341 energy and water saving products • 467 biodegradable and non-pollutant products • 45 with optimized packing • 212 products made of recycled material • 89 acoustic booths for emergency plants (19 new) • 88 soundproof electric rooms (34 new) 	<ul style="list-style-type: none"> • Sustainable products developed by suppliers, but no commercial initiatives with suppliers for said type of products • Disposal of electronic materials: 68,800 kg⁽²⁾
EN28 Percentage of products sold and their packaging materials that are reclaimed by category	% vs total recycled materials				
	Collection and recycling of cardboard	77	18,100 ton	81	19,953 ton
	Collection and recycling of plastic	12	2,311 ton	6	2,418 ton
	Plastic hanger	3	7 ton	0.2	14 ton
	Shrink wrap	9	2,311 ton	6	2,138 ton

Environmental

Indicator	Content	2013 Mexico			2013 CAM	2014 Mexico			2014 CAM
EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		There is no record of administrative penalties, significant fines or non-monetary penalties (considering significant those exceeding 1.2 mp).			ND	A total of 11.3 MPs for 5 law-enforcement proceedings: MB Bochil, a 2.2 mp fine, MB Pijijiapan a 2.2 mp fine, MB Escuintla, a 2.2 mp fine, MB Las Rosas a 2.2 mp fine, Bodega Carretera Reynosa, a 2.5 mp fine. All of them due to lack of compliance with conditions and due to reforestation issues; the first four are still under litigation and the last one was already payed to the authority.			ND
EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	CO ₂ emissions resulting from merchandise transportation (tonCO ₂ eq) (EN7)	206,864			28,316	187,011			30,137
	Kilometers covered	224,227,432			22,241,875	202,707,996			23,672,435
	Gallons				2,780,234				2,959,054
	Savings due to Logistics projects and initiatives	Total	Backhaul	Reverse Logistics		Total	Backhaul	Reverse Logistics	
	Operational efficiencies (trips reduced)								
	Kilometers not covered	33,501,837	3,811,620	29,690,217	1,454,760	33,327,485	5,971,814	27,355,671	1,669,440
	CO ₂ emissions reduced (tonCO ₂ eq)	34,376	5,542	28,834	1,235	30,747	5,509	25,237	1,417
	trip reduction	206,958	63,527	143,431		204,980,000	72,827	132,153	
	collected cardboard nationwide (ton)	170,216	170,216			182,320	182,320		
	recycle shrink-wrap nationwide (ton)	11,497	11,497			14,497	14,497		
saved gallons	564,684			121,230	ND			139,120	
EN31 Total environmental protection expenditures and investments by type	Environmental investment (mp)	487 (only energy efficiency)			342 ⁽¹⁾	257 (only energy efficiency)			435
	Waste treatment costs, GHG emission treatment and restoration (mp)	126				141			
EN32 Percentage of new suppliers that were screened using environmental criteria		NA							
EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken		NA							

Environmental

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		NA			
OI1 Other significant social responsibility and sustainability activities	Significant company social responsibility and sustainability activities	Environmental leadership Eco-efficiency free program to drive the value-chain competitiveness carried out by Walmex together with Semarnat (Department of the Environment and Natural Resources). Results: <ul style="list-style-type: none"> • 99 enterprises completed the course • 150 trained people • 22.6 mp investment (ROI = 5 months) Savings: <ul style="list-style-type: none"> Water: 234 million liters per year Power: 3.9 million kWh per year GEL: 6,143 tons of CO₂ per year Recycling: 3,603 tons a year Pesos: 50 mp Sustainable Packaging Scorecard Free tool that reveals the environmental impact of packaging. The final objective is waste reduction, more efficient supply chains as well as driving innovation and sustainable practices. Results: <ul style="list-style-type: none"> • 5,265 captured items. • 185 participating suppliers. Logistics: <ul style="list-style-type: none"> • Collection of 71 tons of store donations for NGOs. • Collection of 944 tons of customer donations for the Catrina and Manuel natural disasters. 		Eco- efficient Chain Consultancy on-line Program on eco-efficiencies in order to drive our value chain competitiveness. The program is carried out by Walmex together with the IGS (Global Sustainability Institute) and the ITESM (Technological Institute of Monterrey) Mexico City Campus. Some 29 companies are registered in that program and 20 of them completed the first stage. Exchange of best practices Following-up on 2013 sustainability Forum "Juntos por un Planeta Mejor" (Together for a Better Planet) we conducted 4 workshops to share best practices among different companies. Topics: Logistics, sustainable enterprises, carbon footprint measurement and communication of sustainability initiatives to customers. Sustainability Index We conducted a pilot on the Item Sustainability Index, which is a tool aimed at identifying the most significant environmentally- impacted areas regarding product category as well as the actions to minimize such impact. This tool is life-cycle centered and focused on actions aimed at improving those phases that can drive significant changes, based on each product category. The pilot test phase included 4 categories: coffee, detergents, dairy products and household paper goods. Participating enterprises answered a questionnaire regarding the environmental areas impacted by their products, identifying achievements and improvement opportunities. Logistics Collection of 87 tons of store donations for NGOs.	

Labor practices and decent work*

Indicator	Content	2013 Mexico				2013 CAM				2014 Mexico				2014 CAM			
LA1	Total number of associates:	% vs Total		%W	%W	% vs Total		%W	%W	% vs Total		%W	%M	% vs Total		%W	%W
Total number and rates of new employee hires and employee turnover by age group, gender, and region		100	212,541	53	47	100	31,312			100	197,106	52	48	100	32,218	41	59
	Management	1	2,672	31	69	1	349			1	2,699	32	68	1	378	37	63
	Non-management	99	209,869	53	47	99	30,963			99	194,407	53	47	99	31,840	41	59
	Permanent associates:	96	203,892	53	47	98	30,541	41	59	97	191,579	52	48	97	31,203	41	59
	Full-time	83	176,956	52	48	89	27,755			83	158,099	52	48	92	28,744	39	61
	Part-time	13	26,936	56	44	9	2,786			17	33,480	55	45	8	2,459	58	42
	Temporary associates:	4	8,649	49	51	2	760	43	58	3	5,527	52	48	3	985	41	59
	Full-time	3	6,669	48	52	2	522			72	4,000	51	49	60	589	38	62
	Part-time	1	1,980	53	47	1	238			28	1,527	55	45	40	396	47	53
	Temporary associates for Christmas season	4	9,028	46	54	0	11			3	6,490	54	46	0	30	23	77
	New associates	100	56,917	47	53	100	8,754	37	63	100	55,819	47	53	100	7,060	37	63
	Age group: <25	57	32,381	39	61	53	4,670	33	67	57	31,898	39%	61	49	3,489	33	67
	26-30	15	8,615	51	49	22	1,903	38	62	15	8,487	50	50	25	1,769	39	61
	31-35	10	5,618	58	42	13	1,141	42	58	10	5,343	59	41	14	980	42	58
	36-40	8	4,441	63	37	6	543	47	53	7	4,147	62	38	7	465	45	55
	>=41	10	5,862	60	40	6	497	45	55	11	5,944	60	40	5	357	42	58
	Associate turnover	100	110,567	44	56	100	8,754	49	85		96,137	44	56	100	8,492	35	65
	Age group: <25	58	63,859	38	62	53	4,670	34	71	57	54,452	37	63	37	3,139	29	71
	26-30	16	17,958	48	52	22	1,903	59	102	16	15,531	47	53	27	2,284	34	66
	31-35	10	10,851	53	47	13	1,141	64	92	10	9,420	52	48	16	1,353	39	61
	36-40	7	7,787	58	42	6	543	73	101	7	6,959	57	43	9	798	43	57
	>=41	9	10,112	58	42	6	497	94	109	10	9,775	57	43	11	918	48	52

* Including Banco Walmart associates

Labor practices and decent work

Indicator	Content	2013 Mexico		2013 CAM		2014 Mexico		2014 CAM	
LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Extra benefits standar for all full-time associates and part-time temporary associates								
	Full time, part time and seasonal jobs, associate standards	Full-time	Part-time/ temporary	Full-time	Part-time/ temporary	Full-time	Part-time/ temporary	Full-time	Part-time/ temporary
	Holiday period for executives	C		C		C		A	
	Holiday period for non executives	A	A	A	A	A	A	A	A
	Days off (paid holidays)	C	C	B		C	C	A	A
	Personal leave, Operation Asst. Managers	B	B	B		B	B	B	
	Leave of absence	C	C	C	A	B	B	C	C
	Food Allowance	B	B	B	B			B	B
	Electronic Coupon	B				B			
	Employee discounts	B	B	B	B	B	B	B	B
	Company Car, Executives	B				B		B	
	Car Allowence, Executives			B				B	
	Medical Check Up - Executives	B		B		B		B	
	Life insurance	B		B		B		B	
	Hospital Insurance			B				B	
	Major Medical Expense Insurance	B		B		B		B	
	Disability Allowance	B	B	C	A	B	B	C	A
	Holiday season celebration	B	B	B	B	B	B	B	B
	Seniority Acknowledgement					B		B	
	Maternity Leave					C	A	C	A
	Paternity leave					C	A	B	
	Pension Fund							A*	
		*GT: C							
LA3 Return to work and retention rates after parental leave, by gender	Number of employees with right to maternity/paternity leave	100%							
	Number of associates who have exercised their right	7,734				6,748			
	Number of associates who returned to work after leave	5,913 returned to work by December 31, 2013.		1,008		5,282 returned to work by December 31, 2014.		1,121	
LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Minimum pre-notice period - for associates and their elected representatives- that is usually used before implementing significant operation changes that could significantly impact them	The law does not include this figure.							

Labor practices and decent work

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	% of associates participating in Health and Safety Committees	18%	100% of the associates are represented by occupational health, hygiene and safety committees. Approximately 10% of them are active members of such committees.	18%	100% of the associates are represented by occupational health, hygiene and safety committees. Approximately 10% of them are active members of such committees.
	Associates per business unit	5-10	from 4 to 10 associates depending on the size of the store.	5-10	from 4 to 10 associates depending on the size of the store.
	Level of operation	Workplace/ corporate office.	Workplace/ Regional.	Workplace/ corporate office.	Workplace/ Regional.
	Associates trained	113,880	11,770 with 470 training courses.	191,530	16,456 with 814 training courses.
LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender	Indicate if mild labor accidents are included or not (requiring first aid)	Mild incidents excluded.	Mild incidents not requiring medical leave are excluded.	Mild incidents excluded.	Mild incidents not requiring medical leave are excluded.
	Indicate if "days" mean "calendar days" or "work days"	Days = Calendar days.	Days = working days.	Days = Calendar days.	Days = working days.
	Accounting method for "lost days"	As per Mexican Social Security method to score lost days as "work-related accidents".	From the moment the treating physician issues the medical leave, which usually coincides with the date of the accident.	As per Mexican Social Security method to score lost days as "work-related accidents".	From the moment the treating physician issues the medical leave, which usually coincides with the date of the accident.
	Registered accidents				
	Commute-related	13,436	1,310	12,565	1,097
	Work-related risk	5	This indicator is not calculated, it is scored as accidents/one thousand associates = 4.1.	3	This indicator is not calculated, it is scored as accidents/one thousand associates = 3.9.
	Sick days	249,447	27,441	159,534	23,924
	Disabled associates	11,971	6,761	9,611	8,701
	Absolute number of work-related fatalities	0	1	2	0
	Rules and regulations to record and communicate accidents	Accidents scored as work-related, based on Mexican Social Security rules and regulations. Mild incidents excluded.			

Labor practices and decent work

Indicator	Content	2013 Mexico			2013 CAM		2014 Mexico			2014 CAM		
LA7 Workers with high incidence or high risk of diseases related to their occupation		<ul style="list-style-type: none">• Maintenance personnel.• First-aid brigade personnel who may be in contact with biological waste.• Display personnel who may be affected by solvent exposure -Personnel in DCs exposed to hazardous fluids such as ammonia.			Based on the risk mapping of different positions in the company, the possibility of contracting a specific disease as the sole result of the job is very low.		<ul style="list-style-type: none">• Maintenance personnel.• First-aid brigade personnel who may be in contact with biological waste.• Display personnel who may be affected by solvent exposure.• Personnel in DCs exposed to hazardous fluids such as ammonia.			Based on the risk mapping of different positions in the company, the possibility of contracting a specific disease as the sole result of the job is very low.		
LA8 Health and safety topics covered in formal agreements with trade unions		Compliance with labor law in each country where we operate.										
LA9 Average hours of training per year per employee by gender, and by employee category	Training investment (mp)	93			5		77			8		
	Classroom	54					66					
	Distance learning	39					11					
	Total trained associates (including associates not with the company)	212,444	%W	%M	21,775		240,496	%W	%M	11,374		
	Man-hours (million)	2.6			0.1		2.9			0.2		
	Training (man-hours)											
	Senior management level	4,084			539		7,371			317		
	Management level	698,814			25,861		665,136			16,238		
	Department management level	409,183			29,960		291,287			39,380		
	Hourly	1,496,216			71,502		1,901,064			92,057		

Labor practices and decent work

Indicator	Content	2013 Mexico			2013 CAM			2014 Mexico			2014 CAM		
LA10			%W	%M		%W	%M		%W	%M	Associates	%W	%M
Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Total number of permanent associates	203,892	53	47	30,541	41	59	194,407	53	47	31,203	41	59
	Promotions	22,750	50	50	3,459	67	33	22,189	51	49	3,094	34	66
	Universal Talent Base (BUT), non-management associates	21,789	55	45	NA			28,091	44	56	52	50	50
	Promoted associates part of the Talent Base	5,644	52	48	NA			7,338	52	48	4	75	25
	% vs. total Talent Base	26			NA			26			8		
	% vs. total promotions	25						33			0.1		
	Top Talent (TT: accelerated development plans)	435	34	66	53	33	66	441	36	64	134	41	59
	TT associates promoted	43	28.6	71.4	6	50	50	103	46	54	11	73	27
	% vs. total TT			10	11			23%			8%		
	% vs. total promotions			0.2%	vs total promotions CAM 0.2%	vs executive promotions: 25%				12%			0.4%
	TT women			149			18			159			55
	Corporate training												
	Courses taught			11,683			76			14,337			4,600
	Trained associates			211,185			1,558			181,885			2,086
	Man-hours			2,103,900			37,881			1,831,904			23,581
	Man-hours per associates			10			24			10			11.3
	Investment in training			22			134,649			19			3
	External Training												
	Associates in open education system (education government-authorities)			1,064						755			
	Financing for external training of associates			2									
	Total amount financed (mp)			9						1			
	Associates			1,596		NA				756		NA	
	Financing for external training of TT												
	Total amount financed (mp)			7						4			
	Associates			532						142			
LA11	Annual evaluation												
Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	for permanent associates who have been with the company for at least one year			147,155			23,050			135,760			24,111
	Evaluated associates			120,760			7,327			107,404			7,177
	% of permanent associates from total headcount			82			24			79			23

Labor practices and decent work

Indicator	Content	2013 Mexico			2013 CAM			2014 Mexico			2014 CAM		
LA12			%W	%M		%W	%M		%W	%M		%W	%M
Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Total number of permanent associates	203,892			30,541			191,579	52	48	31,203		
	Women	107,517			12,469			100,147			12,743		
	Men	96,375			18,072			91,432			18,460		
	Special abilities	NA			169	28	72	522	41	59	161	27	73
	Age groups	203,892											
	< 30 years	92,476	45	55	16,992	35	65	87,558	44	56	16,320	35	65
	30 years < 50 years	95,197	60	40	12,869	47	53	89,780	60	40	13,396	47	53
	> 50 years	16,219	56	44	1,451	52	48	14,241	56	44	1,487	51	49
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	There are no salary differences based on gender, age, religion, sexual preference or political ideology. We have a salary pay band and differences may arise due to individual performance, which is evaluated annually based on success behaviors and seniority.											
LA14	Percentage of new suppliers that were screened using labor practices criteria	NA											
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	NA											
LA16	Total number of claims	NA						A total of 6,152 lawsuits (suppliers 361/ associates 5,791). Some 5,764, from 2014 and previous years were settled (5,180 associates and 584 suppliers).			NA		
	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms												

Human rights

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Total number of investment agreements Total number or contracts % of contracts with clauses subject to analysis on human rights matters	<p>There are no investment agreements.</p> <p>The Vendor Agreement signed with all suppliers establishes terms of supply and includes clauses regarding compliance with applicable legal provisions, depending on the activity performed by the supplier and based on their manufacturing, production or import description, including provisions pertaining to underage employment and payment of fringe benefits, included in Labor Law.</p> <p>100%</p>			
HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	<p>Training on the Statement of Ethics</p> <p>Training courses on Equality and Inclusion</p> <p>Trained associates</p> <p>Man-hours</p>	NA	NA	<p>Operations: 286,826 hours of men-training, coverage: 56% of the Staff: 5,362 hours of men-training, coverage: 73%.</p> <p>17,107</p> <p>12,830</p>	<p>• Training on "Leading with Integrity" (Liderando con Integridad) for all Home Office associates in the 5 countries where we operate. (current and new).</p> <p>• On-line Ethics courses with 97.47% accomplishment (2,371 current and new associates).</p> <p>• Ethics on-boarding training at stores and manufacturing plants.</p> <p>• Training on "What People with Integrity Do" (Que hace la Gente con Integridad) (primary operation groups and Home Offices) in 12 sessions.</p> <p>• Training on "Ethics Findings" (Hallazgos de Ética) to primary operation groups, Agro-industry Development, Logistics and Human Resources (Operation, Format and District Managers) in 9 sessions.</p> <p>359</p> <p>436</p>
HR3 Total number of incidents of discrimination and corrective actions taken	<p>Associate Hot Line (internal mechanism)</p> <p>Total number of incidents</p> <p>Incidents with disciplinary actions taken, based on internal rules and regulations</p> <p>Incidents not proved</p> <p>Other incidents</p> <p>Incidents of clients/ associates</p> <p>Corrective measures adopted</p> <p>Internal mechanisms of communication in case of dissatisfaction or disagreement. Service and solution mechanisms for disagreements</p>	<p>998</p> <p>316</p> <p>682</p> <p>1,523 ethics incidents closed.</p>		<p>1,170</p> <p>340</p> <p>830</p> <p>2,196 (other incidents don't include 1,170 ethics incidents).</p>	
		<p>Disciplinary measures range between a verbal coaching until the termination of the labor relationship.</p> <p>The current mechanism to receive any Statement of Ethics - related inquiry, statement or report is through the "Ethics Hotline". In addition it is possible to send a report directly to the Ethics Office or to any supervision level of the associate.</p>			

Human rights

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Type of center and supplier Measures adopted by the organization during the reporting period aimed at defending freedom of association and the right to collective bargaining	None, all in strict compliance with the Labor Law of each country.			
HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Type of center and supplier Measures taken to contribute to the effective abolition of child labor	Walmex fully complies with Mexican Labor Law by only hiring people over 18 years of age. The Vendor Agreement and the Ethical Standards Program for suppliers includes labor liability clauses related to compliance with Labor Law and corresponding rules and regulations in Mexico.	Walmex fully complies with Labor Law in each country where we operate. Terms and conditions of the business relationship must be set forth in order to be a supplier or service provider for the Company, including the obligation to comply with applicable legal provisions, related to not hiring underage people or foreigners without legal documentation, and payment of all fringe benefits established by labor law, among others.	Walmex fully complies with Mexican Labor Law by only hiring people over 18 years of age. The Vendor Agreement and the Ethical Standards Program for suppliers includes labor liability clauses related to compliance with Labor Law and corresponding rules and regulations in Mexico.	Walmex fully complies with Labor Law in each country where we operate. Terms and conditions of the business relationship must be set forth in order to be a supplier or service provider for the Company, including the obligation to comply with applicable legal provisions, related to not hiring underage people or foreigners without legal documentation, and payment of all fringe benefits established by labor law, among others.
HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor	Type of center and supplier Measures adopted by the organization throughout the reporting period, aimed at contributing with the elimination of forced labor. Internal mechanisms in case of disagreement.	Corporate compliance. Walmex complies with occupational safety standards and laws, established by official authorities, thereby guaranteeing that our corporate performance and behavior prevent said practices. Open-door Policy. Ethics Helpline/ Hotline. Regulatory Compliance.			
HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Loss prevention personnel Subcontracted security personnel	100%		<ul style="list-style-type: none"> Loss prevention personnel is being constantly trained on Walmart Culture, Ethics and Anticorruption policies and procedures; such training allows them to know and reinforce the way they should act concerning human-rights matters. Store Training is coordinated by HR Operations. In addition they sign the Statement of Ethics required by the Company. Security suppliers outsourced by the Company must comply with certain standards, among them, due diligence processes; In addition there are clauses regarding anticorruption, adherence and compliance with applicable laws in Mexico included in the agreement and all of them under the DH umbrella. 	100%

Human rights

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
HR8 Total number of incidents of violations involving rights of indigenous peoples and actions taken		There are no incidents recorded.			
HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments		Walmex's main basic belief is Respect for the Individual. All company operations are carried out in strict compliance with the law and respect for human rights.			
HR10 Percentage of new suppliers that were screened using human rights criteria		NA			
HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken		NA			
HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms		There are no incidents recorded.			

Society

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
SO1	Philanthropy				
Percentage of operations with implemented local community engagement, impact assessments, and development programs	Development programs	Hunger/ Productive chains/ Women/ Volunteerism and disasters.			
	Impact assessments	Impact measured through two indicators: benefited families' income increase and food availability.			
	Participation with the community				
	Total amount of resources channeled (mp)	464	40	466	38
	% from the company	94	99	95	99.1
	% from partners, customers and suppliers	6	1	5	0.02
	Beneficiaries	825,831	NC: 24,574, CR: 786,818, ES: 17,413, HN: 39,914, GT: 378,345. Total: 1,247,064	995,490	NC: 90,449, CR: 582,380, ES: 34,369, HN: 35,125, GT: 679,930. Total: 1,422,253
	States	In 31 states and Mexico City	5 countries	In 31 states and Mexico City	5 countries
	Partner Institutions	215	NC: 63, CR: 78, ES: 11, HN: 31, GT: 42. Total: 225	158	NC: 14, CR: 24, ES: 8, HN: 12, GT: 6. Total: 64
	Development of productive capacities				
	Benefited Producers	3,837	1,184	20,103	
	Indirect Beneficiaries	20,750		24,718	
	States	Oaxaca, Puebla, Colima, Michoacán, Chiapas, Guerrero, Chihuahua, Nuevo León, Estado de México, Yucatán, Zacatecas, Guanajuato, Hidalgo.	Gourmet Coffee Cooperatives GT: with 136 female growers in Guatemala with AGER (Trade Association of Rural Businessman) Contribution \$320,000.	Oaxaca, Michoacán, Coahuila, Veracruz, Nuevo León, Chihuahua, Yucatán, Estado de México, Mexico City, Campeche, Guerrero, Chihuahua, Guanajuato.	ES: \$294,600-peso donation to "Cooperativa de Pescadores Artesanales" (a Fishermen's Cooperative) of Playa El Cuco in Usulután, in order to help them become suppliers, benefitting 84 fishermen.
	%increase in beneficiary income	37%	ES: Sustainable Fishing and commercialization of fishery products in El Salvador with the USAID (United States Agency for the International Development) –Contribution \$256,000	61%	
	Sales (mp)	9		15	
	Profit returned	1		0.8	
	Participating stores	302		313	
	Store Items	127		118	
	Benefited Institutions	14	HN: Installation of 250 ecological stoves in order to reduce lung diseases in 250 poor households in Honduras, together with AHDESA (Honduran Association for Development) – Contribution \$403,200.	16	
	Fight against hunger				
	Direct Beneficiaries	35,584	NC: 6,400, CR: 35,000, ES: 15,000, HN: 10,579, GT: 43,200. Total: 110,179	752,407	ES: 32,565, NC: 12,700, CR: 33,900, HN: 13,000, GT: 550. Total: 92,285
	Indirect Beneficiaries	52,655		16,314	
	States	In 31 states and Mexico City	Support to Food Banks in CR, NC, HN, ES and GT	In 31 states and Mexico City	Support to Food Banks in CR, NC, HN, ES and GT
	Benefited Institutions	194		133	
	Tons of Food Channeled	12,071	NC: 335, ES: 10, CR: 1,397, HN: 80, GT: 112. Total: 1,934	21,702	NC: 124, ES: 21, CR: 1,602, HN: 52, GT: 5. Total: 1,804
	Children treated with malnutrition	5,357		1,380	
	% of children with normal nutrition status	42		62	
	Backyards	800		397	

Society

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	Water systems	552		133	
	Eco-friendly toilets	55		25	
	Green stoves	94		255	
	Women empowerment				
	Women registered in the program "Woman, you can count on us" 2013/, "Small producer, you can count on us" 2014	25,456 women	"Mujeres con Futuro" (Women with Future) in CR, NC, HN and ES with World Vision – Contribution 3 mp.	2,353 women/ 932 men	GT: Support for industry- owner women in rural areas, regarding training, association and competitiveness. \$184,125-peso donation benefitting 160 women.
	Courses aimed at starting a new business or improving an existing one	25152	NC: Entrepreneurial Development for 54 female banana -growers with VECO Meso America - Contribution \$135,897.	3,285	ES: Paratnership with " Voces Vitales" for a women Mentorship Program. Donation: \$427,170.
	Maintenance grants for Senior High School and Technological University level	304		NA	HN: Strengthening of 100 enterpreneurships led by women microentrepreneurs together with the Chamber of Commerce and Industry in Tegucigalpa. Business Development for 55 banana-producer women, COOPEMAD with VECO Mesoamerica. Donation: \$156,395.
	Women supported by production and food programs	28,019	HN: Strengthening of 100 female micro entrepreneurs, together with the Chamber of Commerce and Industry in Tegucigalpa – Contribution \$115,200.	12,629	CR: 276 women, benefited by the food bank, attended economic empowerment and autonomy workshops in order to have the necessary tools to drive personal or communal entrepreneurship. 76 women were benefited by the food bank of Ciudadela de León XIII in San José y de Limón, where communal entrepreneurship received training and have been supported to have sustainable and profitable enterprises.
	Community support				
	Volunteers	131,055	NC: 850, CR: 2,540, ES: 1,191, HN: 2,205, GT: 1,204. Total: 7,990	126,343	NC: 1,303, CR: 1,806, ES: 991, HN: 19,953, GT: 1,412. Total: 7,507
	Number of activities carried out (to improve community public spaces)	3,493	NC: 18, CR: 89, ES: 34, HN: 66, GT: 19. Total: 226	2,249	NC: 6, CR: 25, ES: 31, HN: 7, GT: 27. Total: 96
	Tons of help channeled in support of victims affected by natural disasters	1,888 (50% customers and 50% Walmart Mexico Foundation).	0	150 (18% customers and 82% Walmart Mexico Foundation).	3
	Support for Natural Disasters	Hurricane Ingrid and Manuel.	Not occurred natural disasters.	Boris Tropical Storm, heavy rains in Coahuila, river pollution in Sonora, Odile Hurricane.	NI: 6.6°-magnitude earthquake on the Richter scale, on April, impacting Nagarote y Mateare.

Society

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
	<p>Programs with customers and suppliers</p> <p>Beneficiaries of the Campaign "Do Magic"</p> <p>159,923</p> <p>HN: Hiper Soli Campaign. 404 supported people. Donation \$96,189.</p> <p>163,510</p> <p>HN: "Environmental friendly Schools" Program: children participation in recycling and taking care of environment activities in Paiz stores. "Future Customers" Program, consumption education for the children that will become the customers of the future, and environment care in Despensa Familiar. Pilot Program in Offices, DCs and 12 BA stores. Hiper Soli campaign in HN. 1,822 children and elderlies.</p> <p>Toys channeled</p> <p>113,432</p> <p>ES: Donation for the "Toys in exchange for smiles " (Juguetes x sonrisas) campaign of TCS Foundation, benefitting 3,500 children</p> <p>117,210</p> <p>ES: Donations to the "Juguetes x Sonrisas" Campaign of TCS Foundation, 3,500 children. Ten "Learning how to recycle " workshops, with the participation of 1,290 children and the support of 337 volunteers. Some 990 children participated in the program "Educating children consumers" visiting DDJ and the supermarket exhibition in the Children's Museum, Tin Marin, with the support of 237 volunteers.</p> <p>Winter Garments channeled</p> <p>46,491</p> <p>"Christmas Tour" in ES, "Tree of Angels" (Árbol de Angeles) in our Home Offices of the 5 countries where we operate; both campaigns with children institutions. 793 children benefited. Environmental education program on recycle wasted and future customers program in Despensa Familiar</p> <p>46,300</p> <p>GT: Interactive sponsorship display of a supermarket area in "Museo de los Niños" (Children's Museum), with dummie strategic brand display. Donation: \$110,475.</p> <p>Social Assistance Cards (sales mp)</p> <p>3</p> <p>2</p> <p>Supplier donations (mp)</p> <p>27</p> <p>CR: Breast Cancer, pink-bag sale, benefitting Ana Ross Foundation. Donation: \$218,004.</p> <p>25</p>				
SO2 Operations with significant actual or potential negative impacts on local communities		In all locations we participate with the community striving to be a good neighbor, benefiting our community, caring for the environment and supporting the economy of families; thus, we do not represent a negative impact on communities.			
SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<p>Number and % of centers evaluated concerning corruption-related risks</p> <p>Significant corruption-related risks that have been identified as a result from evaluations</p>	The Statement of Ethics is the backbone of Walmart culture and guarantees our compliance with the law.		Our Statement of Ethics is the Walmart Culture Backbone that guarantees our compliance with legislation. A Corporate anticorruption risk analysis was conducted covering 100% of the operation in Mexico, and reinforcing it with continuous training on Anticorruption Policies and Procedures.	The Statement of Ethics is the backbone of Walmart culture and guarantees our compliance with the law.

Society

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
SO4 Communication and training on anticorruption policies and procedures	Number of business partners and associates who have been informed about the Company's policies and procedures, in addition to corruption-fighting training	As an integral part of Walmart Anticorruption Program, classroom training courses and workshops were delivered to 9,694 associates in areas of major interaction with the program and with third-party intermediaries. The on-line version of the anticorruption training course was launched this year reaching 11,050 associates.		As an integral part of the Walmex Anticorruption Program, 23,096 associates participated in courses and workshops. Also 773 suppliers were trained.	
SO5 Confirmed incidents of corruption and actions taken	Associate incidents. Number of confirmed corruption cases resulting in either warnings or layoffs of associates Supplier events; number of confirmed cases resulting in termination or not renewing agreements with business partners due to corruption-related violations Measures taken as a result of an incident. Lawsuits against the company or any of its associates and the outcome.	Currently, Walmart is going through an investigation on alleged violations to the FCPA (Foreign Corrupt Practices Act). For further information visit the following sites: http://www.walmartmexico.com.mx/descargas/walmex-2do-trim-2012-nota1.pdf http://news.walmart.com/news-archive/2013/01/10/walmart-statement-in-response-to-jan-10-letter-from-congressman-waxman-congressman-cummings http://news.walmart.com/news-archive/2012/12/17/walmart-statement-in-response-to-new-york-times-article-about-allegations-of-corruption-in-mexico http://news.walmart.com/news-archive/2012/04/24/updated-walmart-statement-in-response-to-recent-new-york-times-article-about-compliance-with-the-us-foreign-corrupt-practices-act http://news.walmart.com/news-archive/2012/04/21/walmart-statement-in-response-to-recent-new-york-times-article-about-compliance-with-the-us-foreign-corrupt-practices-act		In order to encourage identification and resolution of integrity-related matters and other highly relevant risks, Walmex has established global escalation and investigation procedures to identify specific categories of cases or events that must be reported to the Global Ethics Office in Bentonville. In addition a global Hot line has been operating for some years now, making sure that every Walmex associate is able to report any integrity-related issue. Currently Walmex is under investigation due to alledged violations to the US FCPA for further information visit: http://www.walmartmexico.com.mx/descargas/walmex-2do-trim-2012-nota1.pdf http://news.walmart.com/news-archive/2013/01/10/walmart-statement-in-response-to-jan-10-letter-from-congressman-waxman-congressman-cummings http://news.walmart.com/news-archive/2012/12/17/walmart-statement-in-response-to-new-york-times-article-about-allegations-of-corruption-in-mexico http://news.walmart.com/news-archive/2012/04/24/updated-walmart-statement-in-response-to-recent-new-york-times-article-about-compliance-with-the-us-foreign-corrupt-practices-act , http://news.walmart.com/news-archive/2012/04/21/walmart-statement-in-response-to-recent-new-york-times-article-about-compliance-with-the-us-foreign-corrupt-practices-act	
SO6 Total value of political contributions by country and recipient/beneficiary	Monetary value of economical, political and in-kind donations, made directly or indirectly by the Company	No contributions to political parties or related institutions were reported.			
SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Pending or settled lawsuits, initiated as a result of competition behavior or legislation breaches against free competition and monopolistic practices, where participation of the company was proved. Main results of such allegations, including sentences and adopted measures.	No anti-trust or unfair trade activities have been incurred.			
		NA		No ongoing trials (pending to be settled) nor settled ones during 2014 against the company for monopolistic nor unfair competition practices. There is only one criminal proceeding pending resolution (DIBOYCO/CSU) which is in the last procedural stage concerning related monopolistic practices. Such proceeding did not start in 2014 (it started in 2001 at an administrative stage).	

Society

Indicator	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Total monetary value of the most significant penalties; number of non-monetary sanctions. Proceedings proposed before the arbitration institutions.	There is no record of administrative penalties, significant fines or non-monetary penalties. (Considering significant those exceeding 1.2 mp).			
SO9 Percentage of new suppliers that were screened using criteria for impacts on society		NA		Some 1,031 TPI's, BP's and DR's were approved via the DD process established in the corruption Procedures. Meetings were held with the highest risk units in order to analyze services rendered by their suppliers and determine how many of them should go through the DD process.	
SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken	Number of suppliers whose social impact has been evaluated Number of suppliers with real significant negative social impacts Significant negative impacts on society, whether real or potential, that have been found in the supply chain	Regarding all suppliers interacting with government agencies, DD is performed to identify if such suppliers have been involved, directly or indirectly in any corruption-related lawsuit or relevant situation, or, if the supplier is a public servant, in order to determine if the above mentioned situations could represent a risk for Walmex or a negative social impact. The DD process must be renewed every two years so as to ensure there has not been significant changes in the supplier's structure and that such supplier has not been involved in any risk regarding corruption matters that could affect its status of approved supplier. The approved supplier is trained on Walmart's Anticorruption Policy in order to make sure the supplier is familiar with it and complies with it, as long as it has a commercial relationship with Walmex.			
SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		None			

Product responsibility

Indicador	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Private Label				
	Self-service				
	Concept development	No	Yes	No	Yes
	Research and Development (R&D)	Yes	Yes	Yes	Yes
	Certification	Yes	Yes	Yes	Yes
	Manufacturing and production	Yes	Yes	Yes	Yes
	Marketing and promotion	No	No	Yes	No
	Storage, transportation and supply	Yes	Yes	Yes	Yes
	Use and service	No	Yes	No	Yes
	Disposal, reuse and recycling	Yes	No	No	No
	Private Label products	1,915	1,144	2,201	1,287
	% products evaluated (Private Label)	90	100	70	100
			Manufacturers assign life-cycles to the product based on product nature. There is a strict control to avoid the selling of items with expired life-cycles. Each business unit performs daily reviews.		Constantly monitoring DCs as well as audit processes to suppliers and stores, so as not to commercialize expired or wrongly labeled products.
	Sam's Club				
	Concept development			No	
	Research and Development (R&D)			Yes	
	Certification			Yes	
	Manufacturing and production			Si	
	Marketing and promotion			Yes	
	Storage, transportation and supply	NA	NA	Yes	NA
	Use and service			No	
	Disposal, reuse and recycling			Yes	
	Private Label products			292	
	% products evaluated			70	

Product responsibility

Indicador	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Total health and safety incidents Fines or sanctions Warnings Non-compliance of voluntary codes Visits from sanitary authority (Federal Bureau of Consumer Interests - Profeco) Withdrawal orders Expiration date withdrawal order	20 The Secretary of Health imposed 16 fines, and the Consumer Protection Agency, 151. The Secretary of Health issued 16 warnings. 0 Out of 3,345: 2,239 were carried out by the Secretary of Health, and 1,106 by the Consumer Protection Agency 58:21 were ordered by Secretary of Health and 37 Consumer Protection Agency. 20: 6 of which were carried out by the Secretary of Health, and 14, by the Consumer Protection Agency.	 NA	24 The Secretary of Health imposed 25 fines, and the Consumer Protection Agency, 196. The Secretary of Health issued 18 warnings. 0 Out of 4,543: 3,166 were carried out by the Secretary of Health, and 1,377 by the Consumer Protection Agency. 46: 33 were ordered by Secretary of Health and 16 Consumer Protection. 24: 8 of which were carried out by the Secretary of Health, and 16, by the Consumer Protection Agency.	 846 visits from Health authorities. 637 visits from consumer protection authorities.
PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Information and Labeling requirements Content origin of products and services. Contents, specially regarding substances that could have environmental or social impacts. Safety instructions in products or services. Elimination of the product, and environmental or social impact. Others	Yes None, because we take special care in our private labels so that they do not generate neither environmental nor social impact. Yes Yes Private label domestic products labeling undergo a review and validation process by the Legal department. Throughout 2013, the Legal department analyzed 609 labels of private-labeled food, general merchandise and drugs. The Strategic Brand department had Bufete en Comercio Exterior y Normalización, S.A. de C.V. review 429 labels of various private label products. <ul style="list-style-type: none"> Commercial agreements with suppliers include obligations to comply with regulations. Corporate Quality performs random inspections of private label products located at DCs to validate labeling information. 100% of private label products labeling must be validated by internal areas of the company or credited verification units. 	<ul style="list-style-type: none"> Several product categories such as food, cosmetics, toys, pharmaceuticals, textiles and others require specific requirements of regional law or countries. Compliance monitoring/ advice/ ongoing training to areas to achieve 100% compliance. We have developed several verification Guide to minimize default risk and labels ideal models oriented towards internal and external compliance. 100 % Imported goods are supported to process General and toys reviewing/ validating gear labels to ensure full compliance. Requirements not ask origin of the components of the product but in general. Act as some countries call GT and CR declare content of substances such as lead and bisphenol and even prohibit their use. Safe use of the product itself must be declared using instructions and hazard warnings on consumer products that require it. Method of disposal is not required as part of the labeling. Other refers to specific performance requirements of law as product category. Private label products comply 100%. 	Yes None, because we take special care in our private labels so that they do not generate neither environmental nor social impact. Yes Yes Private label domestic products labeling undergo a review and validation process by the Legal department. Throughout 2014, the Legal department analyzed 910 labels of private-labeled food, general merchandise and drugs. The Strategic Brand department had Bufete en Comercio Exterior y Normalización, S.A. de C.V. review 462 labels of various private label products. <ul style="list-style-type: none"> Commercial agreements with suppliers include obligations to comply with regulations. Corporate Quality performs random inspections of private label products located at DCs to validate labeling information. 100% of private label products labeling must be validated by internal areas of the company or credited verification units. 	<ul style="list-style-type: none"> Information and labeling requirements are the same mentioned in 2013 column. In 2014 Compliance followed through on the monitoring, advice, and training regarding labeling requirements by product category and by country on relevant areas including strategic brands. Global Sourcing Team in Mexico was trained and certified on Toy and GM Labeling; review and validation of labels was supported 100% as Commercial CAM is being certified. New tools were developed to check labeling and ideal label models. In order to guarantee external compliance, SME suppliers were trained in GT and we supported the updating of the document on Acceptance and Rejection Specs from DCs, Groceries and Consumables (Regional). Regarding Sanitary Registration, we followed up on the Top5 Supplier Updating Plan to guarantee effective response to all suppliers.

Product responsibility

Indicador	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Total labeling/ information instances	153	100 cases handled/ resolved by CAM during 2013 Compliance.	214	<ul style="list-style-type: none"> Two non-compliance events were found in ES, regarding labeling of imported groceries that did not show information in spanish. Resulting fine: \$96,930. Eight non-compliance findings regarding nutritional labeling and wrong Health Registrations for import goods resulting in written warnings. More than 1,000 labeling queries solved by regional Operations to guarantee compliance and/or minimize legal risks. 150 product inconsistency events internally solved via recalls, implementation of label correction of error measures, and recommendations given to involved areas. 995 associates, trained on labeling matters (consumer protection).
	Fine or sanction	37	No significant fines were reported in the period (fines over \$1.2 mp are considered significant).	70	
	Warning	0	No	0	
	Non-compliance with voluntary codes	0	No	0	
	Non-compliance processes by the authority	153	30	214	
	Private label cases	In 2 cases Profeco put a freeze on merchandise in the store. Legal answered the authority, stating that the inspector's observations were incorrect as these were unique ingredients.	10	8	
	Others	Corporate Quality performs random inspections of private label textile labels located at DCs. 315 products were rejected this year due to non-compliance with labeling NOM.	Several within each catered event.	Corporate Quality performs random inspections of private label textile labels located at DCs. 302 products were rejected this year due to non-compliance with labeling NOM.	
PR5 Results of surveys measuring customer satisfaction	Results or key conclusions of customer satisfaction surveys	95% (with reference to the level of satisfaction regarding complaints lodged) 1,661 satisfaction surveys conducted.	Customer satisfaction is measured monthly via Store Track. Satisfaction Index 84%.	86% (with reference to the level of satisfaction regarding complaints lodged) 2,757 satisfaction surveys conducted.	Customer satisfaction is measured monthly via Store Track. Satisfaction Index - 85%.
	Customer communication channels, formal grievance mechanism	Customer Service Call Center (CAT) Call center for customer information, comments and suggestions. <ul style="list-style-type: none"> The complaint is channeled to the corresponding area. Maximum response time: 48 hours (Supercenter 24 horas). The phone operator follows up until the instance is closed. Scaling system for specific situations. 	Customer Service Call Center (SAC) Call center for customer information, comments and suggestions.	Customer Service Call Center (CAT) Call center for customer information, comments and suggestions. <ul style="list-style-type: none"> The complaint is channeled to the corresponding area. Maximum response time: 48 hours (SC 24 hours). The phone operator follows up until the instance is closed. Scaling system for specific situations. 	Customer Service Call Center (SAC) Call center for customer information, comments and suggestions.
	CAT total calls	371,226	255,470	310,498	273,507
	% answers	88	NA	90	NA
	Total complaints	17,579	17,093	15,958	17,311
	% complaints	4.7	6.7	5.1	6.3
	% complaint response at or under 48 hours	77	NA	55	NA
	% response to complaints		100		

Product responsibility

Indicador	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM																																										
	<p>Suppliers</p> <p>Execution controls in-store: Rally's: Review of execution standards in-store through Mystery Shoppers.</p> <ul style="list-style-type: none">• Monthly indicator per unit and operator.• The study measures indicators such as fastness, kindness, cleanliness and safety.• Variables measured: outstocks, correct pricing, lines at checkout, associates walking customers to needed products, and clean restrooms. <p>A comprehensive report is delivered with the main opportunities found at the Call Center and Rally's.</p> <p>Supplier satisfaction survey</p> <ul style="list-style-type: none">• Third-party quantitative study measuring supplier performance and satisfaction level.• Annual indicator ranking the business unit in the market.• Benchmark vs. market.			<p>Execution controls in-store: Rally's: Review of execution standards in-store through Mystery Shoppers.</p> <ul style="list-style-type: none">• Monthly indicator per unit and operator.• The study measures indicators such as fastness, kindness, cleanliness and safety.• Variables measured: outstocks, correct pricing, lines at checkout, associates walking customers to needed products, and clean restrooms. <p>A comprehensive report is delivered with the main opportunities found at the Call Center and Rally's.</p> <p>Supplier satisfaction survey</p> <ul style="list-style-type: none">• Third-party quantitative study measuring supplier performance and satisfaction level.• Annual indicator ranking the business unit in the market.• This year, self-service is joined due to centralization.• Benchmark vs. market.																																											
	<p>Rankings</p> <table><tr><th></th><th>Bodega</th><th>Walmart</th><th>Superama</th><th>Sam's Club</th></tr><tr><td>Supplier chain</td><td>3</td><td>5</td><td>3</td><td>2</td></tr><tr><td>Business relations</td><td>6</td><td>4</td><td>6</td><td>8</td></tr><tr><td>Categories</td><td>2</td><td>1</td><td>3</td><td>6</td></tr><tr><td>Organisation</td><td>3</td><td>5</td><td>3</td><td>1</td></tr><tr><td>In-store performance</td><td>6</td><td>2</td><td>10</td><td>2</td></tr></table>		Bodega	Walmart	Superama	Sam's Club	Supplier chain	3	5	3	2	Business relations	6	4	6	8	Categories	2	1	3	6	Organisation	3	5	3	1	In-store performance	6	2	10	2		NA	<table><tr><th>Self-service</th><th>Sam's Club</th></tr><tr><td>1</td><td>3</td></tr><tr><td>2</td><td>9</td></tr><tr><td>2</td><td>7</td></tr><tr><td>2</td><td>6</td></tr><tr><td>2</td><td>6</td></tr></table>	Self-service	Sam's Club	1	3	2	9	2	7	2	6	2	6	NA
	Bodega	Walmart	Superama	Sam's Club																																											
Supplier chain	3	5	3	2																																											
Business relations	6	4	6	8																																											
Categories	2	1	3	6																																											
Organisation	3	5	3	1																																											
In-store performance	6	2	10	2																																											
Self-service	Sam's Club																																														
1	3																																														
2	9																																														
2	7																																														
2	6																																														
2	6																																														
PR6 Sale of banned or disputed products	Indicate whether or not the company sells: banned products in certain markets questioned by stakeholders or debated by the public	NA		There is no evidence of this kind of products being commercialized.																																											

Product responsibility

Indicador	Content	2013 Mexico	2013 CAM	2014 Mexico	2014 CAM
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Total marketing communication incidents Fine or sanction Warning Non-compliance with voluntary codes	25 procedures, of which 12 are errors in executing store signage according to current procedure and 13 competition arising from the lack of information in advertising materials, they were corrected immediately. 10 fines for comparative advertising and advertising in general 7. 0 0 Irregularities causing the execution of the comparative procedure in force at units were correctly immediately, and Profeco received the corresponding evidence. Legal department constantly reminds stores of comparative advertising guidelines.	NA	14 procedures, of which 9 are errors in executing store signage according to current procedure and 5 competition arising from the lack of information in advertising materials, they were corrected immediately. 9 fines for advertising in general. 0 0 Irregularities causing the execution of the comparative procedure in force at units were correctly immediately, and Profeco received the corresponding evidence.	NA Non-compliance with regulations concerning to advertising used by merchandising have not been reported.
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		NA		None	
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Amount of significant fines	No significant fines were reported in the period (fines over \$1.2 mp are considered significant).		A total of 3.2 mp stemming from 2 proceedings: WM Culiacán, 1.2 mp fine due to the lack of price display and egg-price increase display; fine imposed to NWM for 2 mp for the lack of accuracy in terms and conditions in the web site www.walmart.com	No significant fines were reported in the period (fines over \$1.2 mp are considered significant).

Product responsibility

Indicador	Content	2013 Mexico		2013 CAM	2014 Mexico		2014 CAM
OIPR Other significant product responsibility activities	Other significant social responsibility activities						
	Conflicts of interest	All Walmart de México management annually report any situation that may generate a conflict of interest. New management is being included every month.					
	H Distinction	Currently, 178 business units hold the H Distinction awarded by the Secretary of Tourism to those who comply with best hygiene practices in food preparation and service.			Currently, 190 business units hold the H Distinction awarded by the Secretary of Tourism to those who comply with best hygiene practices in food preparation and service.		
	Private Label textile inspections	14,403			10,849		
	Domestic suppliers	261		Ethical Standards: import factories, 87.90% of factories in Green and Yellow.	333		
	Import suppliers	46			102		
	Food Private Label in-bond industry inspections	213 suppliers		Ethical Standards: local or domestic factories, 77.0% of factories in Green and Yellow. GFSI: We audited 99% of Private Label suppliers. GFSI: 23% failed the diagnostic audit	187 suppliers		GFSI: 98 Strategic Brand suppliers: 58% approved in Manufacturing Best Practices and HACCP basic systems. 5% of suppliers re approved in a follow-up program.
	Not approved	3 plants			2 plants		
	Global Food Safety Initiative Certification (GFSI)	80%	235 suppliers	10% of providers certified, 4% in the certification process (audit and received Pre-certified tutors). Total: 102.	82% de 273 plants	37% of suppliers were certified under some scheme approved by GFSI.	
	Auditorías a maquiladoras de marcas propias de mercancías generales	134			101 plants de 46 suppliers		
	Not approved	5			0		
	General Merchandise Private Label in-bond industry inspections	13			21		
	Not approved	0			1		
	Profeco complaints	972			1,667		
	Done	608			1,147		
	Pending	364			520		
	DCs industry inspections	352,465			575,628		
	Unnanounced store inspections	27,321		7,686 store inspections.	26,714		7,932 store inspections.

Investor information

Listing

Mexican Stock Exchange

Investor Relations Contact

Mariana Rodríguez
mariana.rodriguez@walmart.com
Telephone
+52 55 5283 0289

Corporate Responsibility Contact

María Gisela Noble
gisela.noble@walmart.com
Telephone
+52 55 5283 0100, ext. 18106

ADR Sponsored Program

The Bank of New York
Investor Services
P.O. Box 11258
Church Street Station
New York, NY 10286-1258
+1 888 218 4375
shareowners@bankofny.com
www.stockbny.com

Ticker Symbol

Bolsa Mexicana de Valores
WALMEX *

ADR Sponsored Program

WMMVY

INTERNATIONAL OT CQX

MARKET TIER
WMMVY

Bloomberg

WALMEX* MM
WMMVY

Reuters

WALMEX.Mx
WMMVY.Pk

Headquarters

Blvd. M. Ávila Camacho 647
Colonia Periodista
Delegación Miguel Hidalgo
11220 México, D.F.
Phone: (52) 55 5283 0100
walmartmexicoycam.com
walmex.mx



This 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.



facebook.com/WalmartdeMexicoyCentroamerica



@WalmartMXyCAM



WalmartMexicoyCAM