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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



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

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 onboarding 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

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.

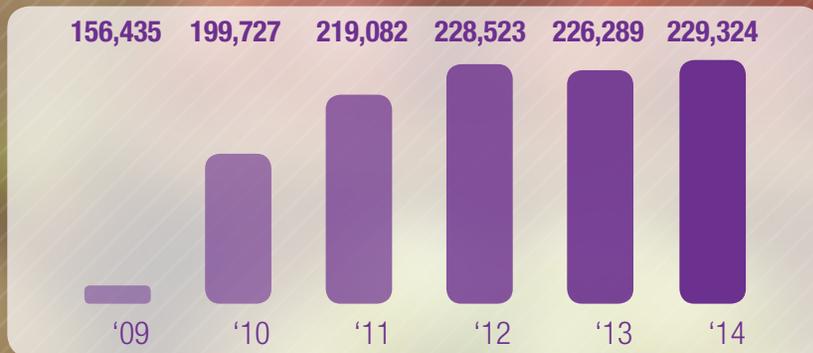
Noteworthy is the *Women in Retail* program in Mexico, seeking to develop self-management, leadership, and commitment skills and an outstanding attitude in women who participate for a period of 3 years; this program is part of their development plan. Participants obtain comprehensive development, through 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.

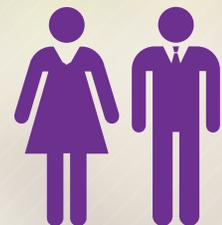
254 women
associates
participated in the
Women in Retail
program in Mexico,
and 196 women
associates
participated in the
Women Leaders
Group program



Associates



	Mexico		Central America			
	% W	% M	% W	% M		
Total	197,106	52	48	32,218	41	59
Executives	2,699	32	68	378	37	63
Non executives	194,407	53	47	31,840	41	59
Trained	240,496	53	47	11,374	41	59
Promotions	22,189	51	49	3,094	34	66



The figures presented in this chapter include Banco Walmart.

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:

- 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.

Our associates fill out a commitment survey every year



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.

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



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

