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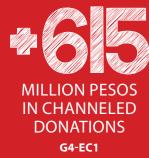
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Our social development programs are in line with the business strategy and the capacity to generate value. We measure social impact based on the reduction of social deficiencies, the effect on income and productivity, and on the availability of food. In the region, 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. G4-SO2









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COMMUNITARY SUPPORT

Keenly aware of the importance of our presence for the communities we serve, our commitment is clearly expressed in the actions undertaken to drive the productivity of small farmers having very scarce resources, working towards eliminating hunger, and rendering support during natural disasters.



This is accomplished by offering training, supplying financial and in-kind resources, and by sharing our commercial platform with small suppliers. In addition, we encourage volunteerism amongst our associates in all communities and we serve as mentors for our small-sized suppliers.



Each year in Mexico we launch a public call for projects so as to finance NGOs seeking to collaborate with the wellbeing of our communities by aiding in the development of small suppliers and food security. The donation is granted to projects proving that considerable impact for society can be achieved and that self-sustainability is possible in the medium term. In 2015, we financed 32 projects that were approved after a rigorous compliance process, which included evaluation by a Pre-selection Committee, the conducting of due diligence of the institution and of Directors or Trustees, approval given by the Walmart de México Foundation Board, a contract having anti-corruption clauses, and following up on social impact indicators as well as completion of the project.

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SMALL SUPPLIER

Similar to what takes place in all markets where Walmart operates, at Walmart de México y Centroamérica we have created programs focused on developing low-income suppliers and, in particular, empowering women.



Through our programs Small Supplier, in Mexico; Fertile Soil and A Helping Hand, in Central America, we seek to increase productivity, achieve sustainable increases in income, and foster the local economy of small suppliers by strengthening their production capacity and developing their commercial capabilities. For this to be possible, Walmart's commercial expertise plays a fundamental role in the training and development of the farmers' skills, and in turn make their businesses stronger, as well as opening the necessary commercial channels for their sustainable growth. In all countries we have designed a development program for training, financing, market insight, and the strengthening of skills aimed at helping them to market their products in selfservice and be more informed about their competitors. In addition, we help companies become more efficient and adopt better planning practices, with the ensuing development of business practices.



Small suppliers development

Country	Description
Costa Rica	Training in personal leadership, finance, and entrepreneurship for 1,200 women who are beneficiaries of food banks. Establishment of a cooperative of 386 women in the province of Limón.
El Salvador	Training and education for 75 women from the Apopa community, so they can obtain their first job in the self-service sector. Development of Artisanal Fishermen Cooperative in Usulután, benefiting 84 fishermen.
Guatemala	Empowerment and innovation for the development of 270 rural women.
Honduras	Business training for 90 women from the Zambrano community.
Mexico	The development of 19,947 farmers and manufacturers in 15 states, through technical and business training, consultancy regarding products, packing and logistics, and preferential buying conditions for small suppliers.
Nicaragua	Training for 66 female banana growers in technical, production and business skills.



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For the first time, the EmprendedorES 2015 award was given, through which the Walmart Mexico Foundation, together with Endeavor Mexico, Enactus Mexico, and the Technological Institute of Monterrey (ITESM) supported 30 social entrepreneurs chosen among a total of 131 semi-finalists. The total amount of the award was 1.6 million pesos in cash, personalized business mentoring by top executives who were trained by Endeavor, and access to the ITESM business incubator, with the purpose of developing and broadening their business projects. The first-prize winner was a production project Driving Economic Solidarity Deep in Mexico, which supports indigenous populations in the mountainous regions of the state of Guerrero, thus receiving 350,000 pesos, mentoring, and participation in the incubation process.

Some of the projects have received prior support from the Walmart Mexico Foundation through funding for production projects; they participate in the Small Supplier Program, selling their products as part of the commercial experience, or they receive support from the training initiative called Women Can Rely On Us.









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FOOD SECURITY

We are one of the primary donors for food banks in Mexico and Central America; this is possible because our stores, clubs, and distribution centers channel, through not-for-profit organizations, inkind donations of unsellable merchandise that is suitable for human consumption.



Selection of the institution is based on its ability to pick up the in-kind donations at the unit(s) assigned, as well as their capacity to generate greater social impact as a result of their programs and list of beneficiaries. In order to be selected, the institutions must submit to a compliance process that includes due diligence and the execution of a contract.





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In Central America we also consolidate and expand food banks by delivering financial donations with the purpose of opening two additional food banks in Costa Rica and Honduras, thus hoping to benefit some 15,000 people each year.

We also support communities suffering from food poverty by driving the construction of backyard farms, gardens, and rainwater catchment systems. This program fosters sustainable nutrition, increases in disposable income, and the empowerment of women. In addition, it helps build a development platform for production capacities. In El Salvador we offered 14 Nutrition Workshops to promote nutritional eating habits at home, with which we are contributing overall to the development of children in communities and benefitting 1,160 people. These workshops include talks, nutrition counseling, healthy recipes, and advice provided by a medical specialist.





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VALUABLE NEIGHBOR

One of our strengths is our human capital, who day after day not only help to provide enhanced shopping experiences for our customers, but who also provide community services.



In Mexico we launched the Valuable Neighbor Communication Program in 1,291 stores and clubs, so as to publicize the activities performed by our associates in favor of the communities they serve. With the placing of bulletin boards in visible areas, the Program communicates the contributions made by the corresponding store or club under three headings:

- Donations: Food donated to not-for-profit institutions
- Community Support Activities: Those performed inside or outside their units, such as volunteerism or assisting customers in vaccination campaigns or with specialized classes
- **Sustainability:** Data on recycling, energy and water savings accomplished

Through this communication we have elevated the awareness of our customers and members on the positive effect our units have in the communities where we operate.





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With the experience of our top management, we have been able to create the Specialized Volunteerism Program, whereby our top management share their expertise so as to develop small suppliers by being personalized mentors, and by helping to select projects to be financed.

As motivation and in order to reward the participation of our volunteers, we recognize our volunteers, the format, the city, and the distribution center -of the yearduring our most important annual meeting; they are all celebrated as examples of the service that characterizes our Walmart Culture.

During 2015, we migrated our Volunteer Baggers Program for Mexico from young to senior citizens, to whom we supply in-store accident insurance and uniforms, at no cost to them. We received recognition from INAPAM -the Mexican Institute for the Elderly- for having benefitted 5,803 senior citizens at the front-end of our Self-service units.





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SUPPORT DURING NATURAL DISASTERS

Mexico and Central America are highly vulnerable to natural disasters and humanitarian emergencies. Existing poverty and a lack of prevention programs make these problems even more severe and put the population at even greater risk.



Because of this reality, 10 years ago the Walmart Mexico Foundation entered into an agreement with the Mexican Red Cross for the creation of a revolving fund for 5,000 pantry donations, which included basics and primary need items to be sent and distributed among the members of communities hit by natural disasters. Said fund enables us to render assistance in record time to victims living in the most remote regions and to

shelters and community kitchens who need it the most. In addition, thanks to the Suburbia campaign -Clothed in Hope- we send clothing items to 46,000 families during the winter season.

Moreover, in support of helping Small Supplier Program, in conjunction with World Vision of Mexico, in 2015 the Walmart Mexico Foundation created a revolving fund meant to assist small businesses in agriculture and hand-manufactured goods that had been affected by some natural disaster. After analyzing damages, needs, conducting training in recovery of living spaces, risk reduction, awareness, operation and offering prevention workshops, financing was provided to recover production activities.



In 2006 we created the Center for Operations Continuity to protect our associates during disasters, reestablish unit operations in record time, ensure merchandise supply in as little time as possible to affected areas, and open assistance channels for our customers through collection centers or drives to support the community. Through the Center, this year we were able to provide assistance for 136 associates to whom we granted a total amount of 7.2 million pesos in cash. **G4-EC3**

In Guatemala we delivered basic products and food items to render support for victims of the landslides that resulted from torrential rains in Santa Catarina Pinula. In addition, customers donated 17,000 products in 17 stores adapted as collection centers through our Friendly Hands Program; all of this was channeled to the National Coordination for Disaster Mitigation (CONRED, per its acronomy in Spanish). We also lent support to the crisis faced by the Guatemala Health System with an in-kind donation of 13,000 tons of essential items so the hospitals could continue serving the basic needs of the community.



The Center for Operations Continuity is activated during natural disasters, protecting our associates and reestablishing normal operations

