



# strategy for corporate responsibility

G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

**Our leadership builds Company reputation by always doing what is right**

Corporate Responsibility is part of our work philosophy at Walmart de México y Centroamérica. We include it in our Company to ensure that it is good for our customers, for society, and for the environment of the whole region.

We are committed to doing the right thing, always. We initiated a continuous improvement process several years ago, with the purpose of achieving solid performance in all societal, environmental and corporate governance-related issues. These are of material importance and we have the firm conviction that our Company generates value in non-financial results for our stakeholders: customers, associates, suppliers, the environment, the community, and shareholders.

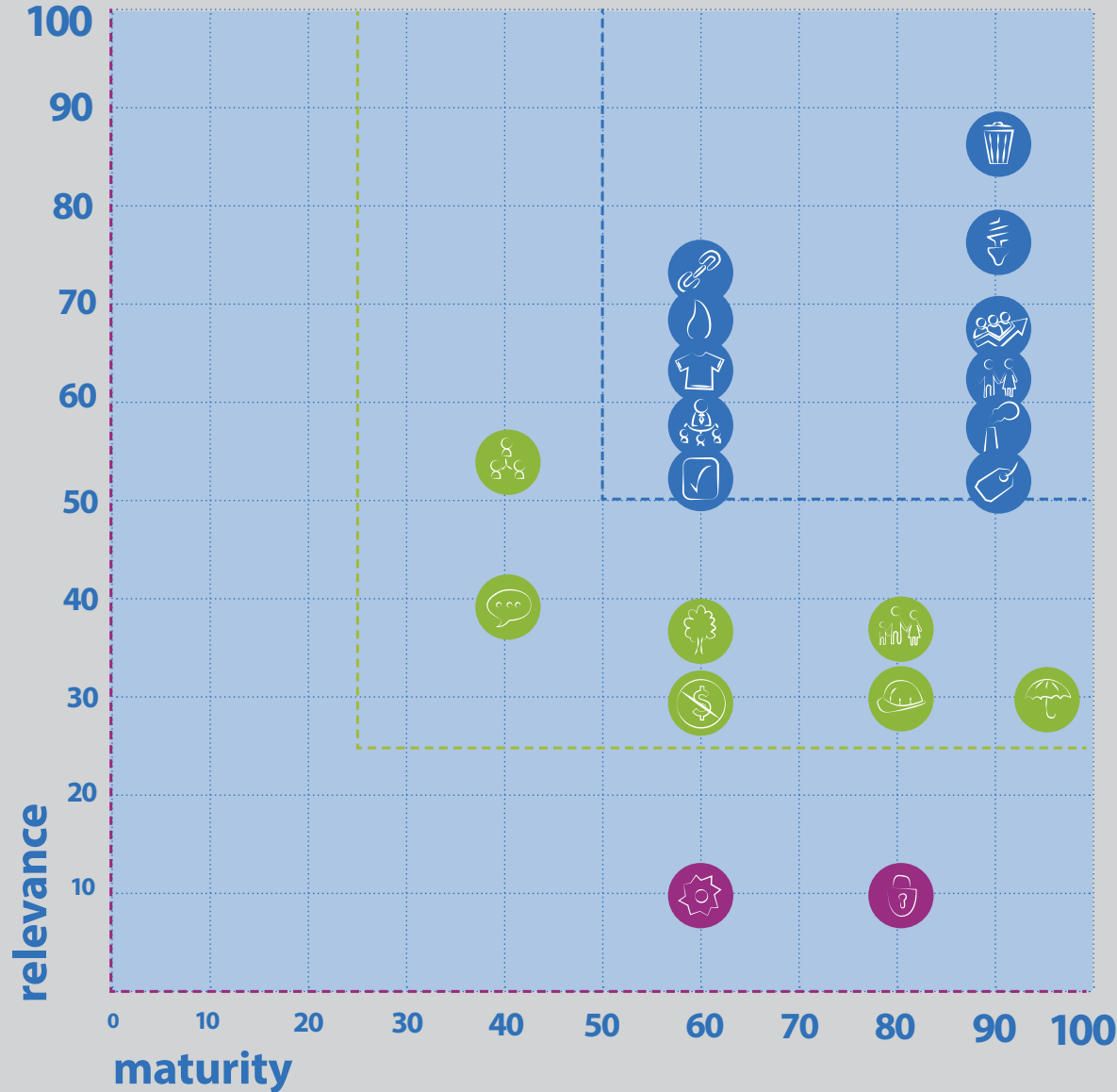
We are present in 589 cities throughout six countries, employing over 231,000 associates and working with more than 28,000 suppliers, who in turn employ millions of people. It is therefore our obligation to use our scale so as to continue contributing towards low prices, creating benefits for society and the environment, and working always to make a difference.

As a result of the latest Materiality Studies conducted in 2009, 2010 and 2014, our strategy for Corporate Responsibility comprises 11 strategically material, 7 relevant, and 2 non-material aspects, as follows:





# Materiality of Walmart de México y Centroamérica



**strategic materials**

- waste
- energy
- supply chain development
- water
- associate development
- employment and work conditions
- corporate governance
- diversity and equal opportunities
- emissions
- supply chain assessment
- customer service and protection

**relevant**

- human rights
- dialogue with stakeholders
- biodiversity
- commitment with local communities
- ethics and compliance/anticorruption
- labor health and safety
- crisis and risk management

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**non-material**

- climate change
- customer privacy



The purpose of the study is to establish a long-term vision based upon knowledge of all the elements, its needs, and expectations taking into account current challenges faced by the industry in which we work.

Materiality also allows us to conduct in-depth analysis of the status of the Company regarding each priority aspect and, through this, identify challenges, strategic programs, long-term objectives, and performance indicators that lead to reaching better standards in societal, environmental, and corporate government-related issues. We therefore reiterate our interest in continuing to generate value for our stakeholders.

**This report contains the actions taken along three priority lines:**

Background: During the United Nations Sustainable Development Summit, held in



**creating opportunities**

for our associates and suppliers

**environmental sustainability**

in our operations and supply chain

**commitment to the community**

in which we operate

**SUSTAINABLE DEVELOPMENT GOALS**

2015, all 193 member nations of the UN approved the 2030 Agenda for Sustainable Development, which during the coming 15 years will establish the guidelines for building a fair and egalitarian world for all, as well as caring for the environment. The Agenda contains 17 Sustainable Development Goals -SDGs- and incorporates social, economic, and environmental issues related to sustainable development, in addition to covering matters regarding peace, justice, and efficient institutions.

The objectives or Corporate Responsibility subjects established by Walmart de México y Centroamérica support the SDGs to help improve equality in the region by 2030.

**GRI guidelines G4-18**

The report has been structured in accordance with guidelines published by the Global Reporting Initiative (GRI). 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 comprehensive option.

**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, 2015.



## GRI G4 Content Index

Indicator	Disclosure	Page	External Assurance
	Strategy and Analysis	2-6	NO
	Organizational Profile	28	NO
	Report Parameters	158-160	NO
	Report Scope	158-160	NO
	Governance, commitments and engagement	111-121	NO
<b>Identified material aspects and boundaries</b>			
<b>G4-17</b>	Operational structure, referencing the information in publicly available consolidated financial statements or equivalent documents	13-17	NO
<b>G4-18*</b>	Process for defining the report content and the aspect boundaries	160	NO
<b>G4-19</b>	List all the material aspects identified in the process for defining report content	158-160	NO
<b>G4-20</b>	For each material aspect, report the aspect boundary within the organization, report whether the aspect is material within the organization	158-160	NO
<b>G4-21</b>	For each material aspect, report the aspect boundary outside the organization	158-160	NO
<b>G4-22</b>	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	17	NO
<b>G4-23</b>	Significant changes related to previous reports	There were no significant changes	NO
<b>Stakeholder engagement</b>			
<b>G4-24</b>	List of stakeholder groups engaged by the organization	158-160	NO
<b>G4-25</b>	Basis for identification and selection of stakeholders with whom to engage	158-160	NO
<b>G4-26</b>	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	158-160	NO
<b>G4-27</b>	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	158-160	NO
<b>Economic</b>			
<b>EC1</b>	Direct economic value generated and distributed	11, 97	NO
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change	84	NO
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations	60, 109	NO
<b>EC4</b>	Financial assistance received from government		NO

For the Fiscal Year 2014, whose declaration was submitted on March, 2015, a tax stimulus was carried out, as foreseen on Article 186, Paragraph Two of the Income Tax Law. Derived from the implementation of said stimulus, Walmart de México had an economic benefit totaling 4.5 million pesos.

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





## GRI G4 Content Index

Indicator	Disclosure	Page	External Assurance
<b>EC5</b>	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	60	NO
<b>EC6</b>	Proportion of senior management hired from the local community at significant locations of operation	54	NO
<b>EC7</b>	Development and impact of infrastructure investments and services supported	Not applicable	NO
<b>EC8</b>	Significant indirect economic impacts, including the extent of impacts	66-70	NO
<b>EC9</b>	Proportion of spending on local suppliers at significant locations of operation	61, 66-70	NO
<b>Environmental</b>			
<b>EN1</b>	Materials used by weight or volume	85	NO
<b>EN2</b>	Percentage of materials used that are recycled input materials	85	NO
<b>EN3</b>	Energy consumption within the organization	77, 78, 80	NO
<b>EN4</b>	Energy consumption outside of the organization	Not available	NO
<b>EN5</b>	Energy intensity	77	NO
<b>EN6</b>	Reduction of energy consumption	77-78	NO
<b>EN7</b>	Reductions in energy requirements of products and services	77-80	NO
<b>EN8</b>	Total water withdrawal by source	88	NO
<b>EN9</b>	Water sources significantly affected by withdrawal of water	89	NO
<b>EN10</b>	Percentage and total volume of water recycled and reused	88	NO
<b>EN11</b>	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	95	NO
<b>EN12</b>	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	92-95	NO
<b>EN13</b>	Habitats protected or restored	94	NO
<b>EN14</b>	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not available	NO
<b>EN15</b>	Direct greenhouse gas (GHG) emissions (Scope 1)	81	NO
<b>EN16</b>	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	81	NO
<b>EN17</b>	Other indirect greenhouse gas (GHG) emissions (Scope 3)	81-82	NO
<b>EN18</b>	Greenhouse gas (GHG) emissions intensity	81	NO
<b>EN19</b>	Reduction of greenhouse gas (GHG) emissions	81-82	NO
<b>EN20</b>	Emissions of ozone-depleting substances (ODS)	82	NO
<b>EN21</b>	NOx, SOx, and other significant air emissions	83	NO
<b>EN22</b>	Total water discharge by quality and destination	88-89	NO
<b>EN23</b>	Total weight of waste by type and disposal method	86	NO
<b>EN24</b>	Total number and volume of significant spills	87, 95	NO



## GRI G4 Content Index

Indicator	Disclosure	Page	External Assurance
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	86	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	Not applicable	NO
EN27	Extent of impact mitigation of environmental impacts of products and services	91-95	NO
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	91	NO
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No significant fines were reported	NO
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	83	NO
EN31	Total environmental protection expenditures and investments by type	76	NO
EN32	Percentage of new suppliers that were screened using environmental criteria	Not available	NO
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	90-91	NO
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	95	NO
<b>Labor practices and decent work</b>			
LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	53	NO
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	51	NO
LA3	Return to work and retention rates after parental leave, by gender	50	NO
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	The law does not include this figure	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	57	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	58	NO
LA7	Workers with high incidence or high risk of diseases related to their occupation	58	NO
LA8	Health and safety topics covered in formal agreements with trade unions	Compliance with labor law in each country where we operate	NO
LA9	Average hours of training per year per employee by gender, and by employee category	43, 44	NO
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	45-49	NO
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	43	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	53, 54	NO
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	54	NO
LA14	Percentage of new suppliers that were screened using labor practices criteria	62-65	NO
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	62-65	NO
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	60	NO



## GRI G4 Content Index

Indicator	Disclosure	Page	External Assurance
<b>Human rights</b>			
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	62-65	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	56, 116	NO
HR3	Total number of incidents of discrimination and corrective actions taken	116	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	62-65	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	5, 60, 62-65	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	60, 62-65, 116	NO
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	116	NO
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	116	NO
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	62-65, 116	NO
HR10	Percentage of new suppliers that were screened using human rights criteria	62-65	NO
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	62-65	NO
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	116	NO
<b>Society</b>			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	97-109	NO
SO2	Operations with significant actual or potential negative impacts on local communities	97	NO
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	117	NO
SO4	Communication and training on anticorruption policies and procedures	117	NO
SO5	Confirmed incidents of corruption and actions taken		NO Currently Walmex is under investigation due to alleged violations to the US FCPA. For further information see: Report of Independent Auditors, Note 13, paragraph c Legal proceedings, page 146
SO6	Total value of political contributions by country and recipient/ beneficiary	117	NO
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	117	NO
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	117	NO
SO9	Percentage of new suppliers that were screened using criteria for impacts on society		NO We performed due diligence more than 1,100 suppliers
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	62-65, 117	NO
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	62-65, 116	NO There were 22 claims in Mexico on social impact, of which were resolve and 7 are still underway



## GRI G4 Content Index

Indicator	Disclosure	Page	External Assurance
<b>Product responsibility</b>			
<b>PR1</b>	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	71, 72	NO
<b>PR2</b>	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	73	NO
<b>PR3</b>	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	73	NO
<b>PR4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	74	NO
<b>PR5</b>	Results of surveys measuring customer satisfaction	34, 70	NO
<b>PR6</b>	Sale of banned or disputed products	74	NO
<b>PR7</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	74	NO
<b>PR8</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	34, 117	NO
<b>PR9</b>	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	74	NO