



our

ASSOCIATES



TALENT DEVELOPMENT

WORK-LIFE BALANCE

DIVERSITY AND INCLUSION

LABOR STANDARDS

HEALTH AND SAFETY

OUR FOCUS IS TO ATTRACT, DEVELOP AND RETAIN TALENT, CREATING WORK TEAMS COMMITTED TO OUR CUSTOMERS AND TO STRENGTHENING DIVERSE AND INCLUSIVE WORK AREAS AND OUR CULTURE.

228,854

ASSOCIATES

110.2

MILLION PESOS INVESTED
IN TRAINING G4-LA9

33%

OF OUR MANAGEMENT
TEAM ARE WOMEN

talent



DEVELOPMENT

G4-LA10

27,012

PROMOTIONS

2.6

MILLION LABOR HOURS
IN TRAINING

545

TOP TALENT
ASSOCIATES

Train, evaluate and provide feedback to our associates is the basis of our growth, therefore we have an individual development plan for each one.



IN MEXICO WE CREATE HIGH-PERFORMANCE TEAMS –KNOWN AS MERCHANDISING CELLS- WHICH INCLUDE ASSOCIATES FROM MERCHANDISING, REPLENISHMENT, MODULARS, AND PLANNING AIMED AT STRENGTHENING THE COMMUNICATION AMONG THE DIFFERENT AREAS AND IMPROVING THE SHOPPING EXPERIENCE FOR OUR CUSTOMERS. THIS PROJECT IS A NEW WAY OF WORKING AND ENABLES US TO BETTER UNDERSTAND AND SERVE THE CHANGING NEEDS OF OUR CUSTOMERS.

Master's Degree Students is a program that supports the integration of Mexican students by inviting them to lead a project during the summer; upon concluding their education, the outstanding ones are hired as executives in different areas of the company. In 2016, five of the seven who participated in the summer program joined the Company.

Top Talent executives receive assistance with scholarships to initiate or conclude their Master's or BA degrees, special certificate courses, or English language proficiency classes, investing more than 11 million pesos.

In Central America, the Top Management and Management Development Program is conducted in alliance with the Central American Institute for Business Management, which helps the 50 participating associates develop leadership skills.

The Program for Individual or Group Mentoring and Mentoring Circles seeks to promote accelerated development for selected executives through the guidance of an associate having a minimum of one higher level. During 2016, more than 700 new assignments for individual mentoring were made.

The Certificate Course for district managers has the goal of developing assistant directors in operations so they can strengthen management and leadership skills. In 2016, more than 80 executives in Mexico received training.



Our Leadership Program is aimed at efforts and actions that assist in the personal development of top management, based on the identification of strengths and opportunities, reinforcing the awareness of each executive regarding the role he/she plays in transforming the organizational culture and in achieving strategic alignment. Our Leadership Program began with all our vice presidents.

OPERATIONS ACADEMY

The Center of Learning for Central America was opened this year in Guatemala. The Centers of Learning for Costa Rica and Guatemala resulted in 104 graduating assistant store managers.

There are 66 programs designed to supplement the career paths of self-service and Sam's Club associates, from hourly to assistant directors.

The Development, Attract and Retain Program for Bodega Aurrera was implemented for hourly and dept. manager associates, we trained more than 17,200 associates; so they may have the tools and knowledge needed to perform basic duties in their new role as department managers, and to improve decision-making abilities and impact key business indicators.

For the third consecutive year, we implemented the DOE Program (Delivering Operational Excellence), version 2.0. The purpose of this program is to train store and district managers in Central America in subjects related to operating excellence processes in dealings with customers and associates. Throughout the year, 762 associates received this training.

MERCHANDISING ACADEMY

Training more than 2,000 buyers to develop their leadership and negotiation abilities, merchandising skills, category management, and imports.

This contributed towards further strengthening teamwork within the new structures of merchandising cells through change management sessions.

All our associates receive performance and professional development evaluations. In 2016, we evaluated over 124,300 permanent associates who have been with the company for at least one year, which equals 88% of total headcount in Mexico, and 26% in Central America. **G4-LA11**

TRAINING BY LEVEL G4-LA9

LEVEL	LABOR HOURS	
	MEXICO	CAM
Senior management	1,126	4,859
Management	300,209	64,358
Department management	342,696	38,715
Hourly	1,352,408	281,142





work-life

BALANCE

G4-EC3

849

EDUCATION, SERVICES AND
ENTERTAINMENT AGREEMENTS

7,754

QUALITY-OF-LIFE
TRANSFERS

21,793

ASSOCIATES RECEIVED ATTENTION
AT OUR MEDICAL OR NUTRITION
SERVICES DEPARTMENT

We are committed to the well-being of our associates and therefore we look to innovate every day by implementing initiatives that help us to continue building a healthy, collaborative and flexible workplace.





IN MEXICO THE RENEWAL OF OUR OFFICES, THROUGH ECO: COLLABORATIVE WORKSPACES, WHICH HELP TO UNDERSCORE THE VISION OF THE COMPANY WE WANT TO BE: OPEN TO COLLABORATION AMONG AREAS AND TEAMWORK TO DRIVE PRODUCTIVITY.

We implemented a new means of free personal assistance -Integrated Assistance Program- wherein our associates and their families may receive advice in matters pertaining to psychological, financial and legal issues.

This year we also launched GoIntegro, an app that offers 849 special agreements that are available to our associates and their families, with money-saving benefits that further their quality of life.

The Flexible Work Week Program for staff associates consists of adjusted work hours from Monday to Thursday so that Friday afternoons are free. In addition we have made the dress code at work more flexible for all associates, to create an open, comfortable workspace that respects everyone.

Postnatal leave for staff mothers allows them to gradually integrate back to work during the first 7 months of their baby's life; regarding fathers, paternal leave fosters integration with the new member of the family by allowing these men to work a reduced schedule (6 hours) during the first month after birth of their child. Thanks to these initiatives, at December 31, 2016, 75% of associates who benefited from this new policy, returned to work after completing their maternal or paternal leave. **G4-LA3**

For the second consecutive year, Family Day celebration was held where, staff associates were invited to spend a special day with their family members, thus generating a greater sense of belonging. In Central America, this initiative was extended to include Distribution Centers and Agro-industrial Development Plants.

ASSOCIATE BENEFITS G4-LA2

	FULL TIME		PART-TIME/ SEASONAL	
	MEXICO	CAM	MEXICO	CAM
Vacations, management	■	■		
Vacations, non-management	■	■	■	■
Days off (holidays)	■	■	■	■
Special permissions	■	■	■	■
Food subsidy		■	■	
Electronic coupon	■			
Discounts granted	■	■	■	■
Company car, management*	■	■		
Car allowance, management		■		
Medical check-up, management	■	■		
Life insurance	■	■		
Hospital insurance		■		
Major medical insurance	■	■		
Disability subsidy	■	■	■	■
Holiday celebration events	■	■	■	■
Seniority recognition	■	■		■
Maternal leave	■	■	■	■
Paternal leave	■	■		■
Pension fund		■		

- Required by law
- Not required by law but the Company grants it
- Higher than required by law
- * Divisional manager and higher



diversity and **INCLUSION**

51%

OF OUR ASSOCIATES
ARE WOMEN

49%

OF ALL PROMOTIONS
WERE WOMEN

17,003

ASSOCIATES RECEIVED TRAINING
G4-HR2

We have received certification with Mexican Law on Labor Equality and Non-Discrimination by the Secretary of Labor and Social Welfare, the National Women's Institute (Inmujeres, per its acronym in Spanish), and the National Council for the Prevention of Discrimination (Conapred, per its acronym in Spanish). We are the only retail company that has achieved this certification.



THE COMPANY POLICY ON EQUALITY AND INCLUSION IS MEANT TO ENSURE EQUAL OPPORTUNITIES AND NON-DISCRIMINATION. AT 31 DECEMBER 2016, THE HEADCOUNT INCLUDES 645 ASSOCIATES WITH SOME TYPE OF DISABILITY.



In Mexico hiring criteria focuses on finding the best candidate for the position, regardless of whether the person is a local resident or not. By law, in Central America we give preference to local residents. The process consists of interviews, selection, psychometric testing, interviews by the business format committee, economic offering, document requests, onboarding, and the start of training.

In Mexico, 94% of top management are Mexican citizens; in Central America, 88% are Central Americans. Top management consists of assistant directors, directors, and vice presidents. **G4-EC6, LA12**

Wage differences are never based on gender, age, religion, sexual preference, or political ideology. We have a wage band; existing differences are based on the individual performance of each associate through annual evaluations, seniority, and competencies that are described in the Discrimination-Free and Harassment-Free Workplace Policy. **G4- LA13**

Programs designed for women, such as Reach High!, Women in Retail, and the Female Leadership Certificate Course are aimed at retaining the best talent, having associates empowered, committed to the business, with a sense of ownership so they can rise to executive positions.

OUR ASSOCIATES G4-LA1

	MEXICO			CENTRAL AMERICA		
	TOTAL	%W	%M	TOTAL	%W	%M
Associates	192,434	53	47	36,420	40	60
Management	2,622	32	68	404	39	61
Non-management	189,812	53	47	36,016	40	60
Permanent	188,483	53	47	34,546	40	60
Full-time	156,294	52	48	31,589	38	62
Part-time	32,189	58	42	2,957	56	44
Temporary	3,951	50	50	1,874	39	61
Full-time	3,127	47	53	1,320	29	71
Part-time	824	60	40	554	63	37

BY AGE RANGE						
New associates	57,691	48	52	11,365	33	67
=<25	29,195	40	60	5,327	27	73
26-30	10,121	49	51	2,997	34	66
31-35	5,981	57	43	1,562	39	61
36-40	4,371	64	36	786	48	52
>=41	8,023	63	37	693	45	55
Associate turnover	100,498	45	55	9,120	34	66
=<25	50,530	37	63	3,031	25	75
26-30	18,538	46	54	2,711	33	67
31-35	10,758	53	47	1,626	38	62
36-40	7,570	57	43	840	44	56
>=41	13,102	58	42	912	49	51



labor

STANDARDS

WALMART

CULTURE

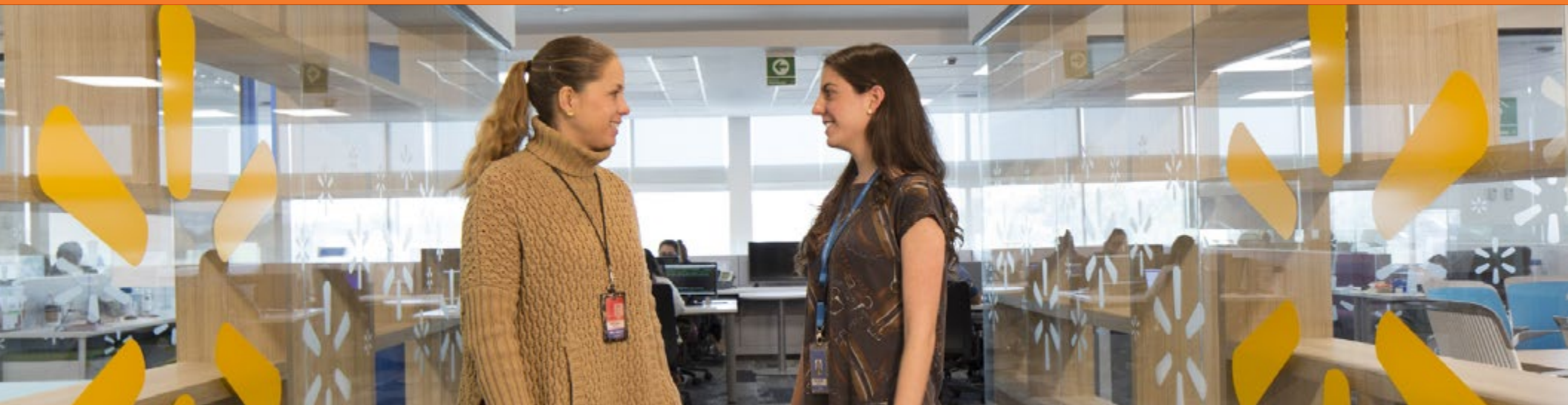
RESPECT

STRIVE FOR EXCELLENCE

INTEGRITY

SERVE OUR CUSTOMERS

We are committed in all countries where we operate, to fully comply with all laws and regulations governing labor standards.





THE COMPANY COMPLIES WITH, AND EXCEEDS, MINIMUM WAGE LEVELS SET FORTH BY LAW. DEPENDING ON THE GEOGRAPHICAL AREA, OUR GENERAL WAGE BAND IS 36% HIGHER THAN THE AVERAGE MINIMUM WAGE IN MEXICO. **G4-EC5**

To be a product or service supplier, it is indispensable to firmly establish the terms and conditions of the commercial relationship, including all obligations pertaining to full compliance with applicable legal provisions and with labor responsibilities. **G4-HR4, HR5, HR6**

We follow the pension plan in force, pursuant to the laws of each country. As an additional benefit, at the moment of retirement from the Company, three months of wages are paid, as per our Separation Policy. **G4-EC3**

In Mexico, 6,944 labor suits were filed in 2016 and during previous years; 5,969 were filed by associates and 975 by suppliers; in 2016, a total of 6,304 filed by associates and 784 by suppliers were settled. **G4-LA16**

labor **STANDARDS**

CULTURE OF DIVERSITY

for labor and inclusion opportunities, thus helping associates to develop their full potential, cultivating a climate of confidence and respect for human dignity

OPEN AND CONFIDENTIAL

communication for claims on any violation to any of the points described in this section

NON DISCRIMINATION

of race, color, age, gender, sexual orientation, religion, disability, ethnic group, nationality, civil status, or for any other reason

Walmart 



**ROBERTO
ARANA**

Walmart 
México y Centroamérica

HEALTH AND SAFETY

to protect our associates

HIGHER WAGES

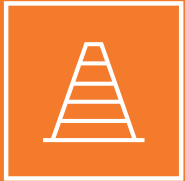
than those established by law

FREEDOM

of association

ZERO TOLERANCE

for child and/or forced labor



health and

SAFETY

390,417

TRAINING SESSIONS
FOR ASSOCIATES

10%

OF OUR TOTAL HEADCOUNT
PARTICIPATES IN SAFETY BRIGADES

ZERO

ACCIDENTS IS OUR GOAL

We work in favor of preventing any and all risks for our associates, customers/members, and suppliers. Our vision: to be the safest place to shop and work.



SAFETY IS OUR MAXIMUM PRIORITY, AND THEREFORE WE CONCENTRATE ON CREATING A RISK-FREE WORKPLACE AND ON OFFERING A SAFE PLACE FOR SHOPPING.

The Company has a Health and Safety Compliance Program, the purpose of which is to identify any and all legal provisions that must be followed in each market; develop the necessary policies and procedures; train our associates in these matters; and monitor our compliance levels. In addition, there is a Health and Safety Committee for Mexico, which meets to review and vote on safety initiatives that are meant to prevent accidents and fires that can harm our associates, customers, and suppliers.

Our associates receive digital and classroom training in different fields, such as Health and Safety, Civil Protection, and Emergency Brigades. **G4-LA5**

Constant audits of the different business units are conducted to detect opportunities and create action plans that will cover the needs found in our businesses. We also document best practices being followed in our different units, and we investigate the causes of accidents that take place so we can prevent any repetitions.

We place special attention on those associates whose job entails a higher risk of accidents or occupational health issues, such as store-level associates, butchers and meat department managers in our stores. **G4-LA7**

HEALTH & SAFETY INDICATORS **G4-LA6**

	2015	2016
Days of sick leave	151,066	168,350
Accidents due to occupational hazards	11,498	14,022
Associates resulting in disability	11,006	12,376
Fatalities	1	3