

# Corporate Responsibility Strategy

GRI: G4-24, G4-25



# Shared Value 2030

GRI G4-24, G4-25

A company of our size -with over 237,000 associates, millions of customers, over 35,000 suppliers, and presence in 634 cities throughout the region- has the opportunity and obligation to achieve a significant contribution to sustainable development. Therefore our aspiration is to create Shared Value; that is, to build a business that benefits all our stakeholders. We want to be the most reliable retailer of which our customers, associates, suppliers, communities, and shareholders can be very proud.

To achieve this we have anchored our Corporate Responsibility to our guidelines and, as a result, to our daily actions. With this in mind, in the last few years we have worked with our stakeholders to have clearly-established priorities, and we are focused on those problems deemed as most important. Consequently, we have created Shared Value 2030, the primary consideration for our Corporate Responsibility strategy, which will guide the Company throughout the next few years.

This report contains several of these initiatives and the progress made to date. We shall be transparent about our progress and shall continue to provide regular updates each year.



# Environment

GRI G4-24, G4-25

## 2020



Guarantee Our Brands come from certified sustainable sources

Develop closed-cycle initiatives with suppliers



## 2025



Reducing food waste by 50%



Reducing GHG by 18%

## 2030

Contribute to the Gigaton global objective, reducing emissions by one billion tons



Ensure sustainable supply of the top 20 commodities

# Social

GRI G4-24, G4-25

## 2020



Train recruitment associates in diversity and inclusion subjects

Enhance development programs of supply chain to ensure their permanence

Become the safest company to work and shop

Extend the catalogue of healthy and sustainable items within Our Brands

Increase available income in communities we support

## 2025



Encourage economic mobility within the supply chain

Boost greater sustainability and healthiness among top selling items

Continue to promote associate diversity

Become a company with zero associate accidents

Ensure balance in philanthropic activities

## 2030



Maintain and enhance all the necessary conditions to be considered as the best place to work

Guarantee responsible supply of the items we merchandise

Become a company with zero supplier accidents

Encourage our customers to consume products in a more healthy and sustainable manner

Contribute to the economic prosperity of those communities where we operate

# Corporate Governance

GRI G4-24, G4-25

## 2020



Improve our transparency level for our stakeholders



Promote increasingly diverse and transparent Corporate Governance

## 2025



Achieve optimum maturity levels in all compliance programs



Advance our Corporate Governance involvement in the Company's Environmental, Social and Governance performance (ESG)

## 2030



Guarantee zero corruption-related incidents



Be a role model in terms of Corporate Governance

# Contribution to SDGs

GRI G4-24, G4-25

The objectives of the Corporate Responsibility Strategy “Shared Value” subjects established by Walmart de México y Centroamérica support the Sustainable Development Goals to help improve equality in the region by 2030.



## Sustainable Development Goals

- 1 NO POVERTY  
47, 49, 62-72
- 2 ZERO HUNGER  
100
- 3 GOOD HEALTH AND WELL-BEING  
105-107
- 4 QUALITY EDUCATION  
47, 51, 52, 57-59
- 5 GENDER EQUALITY  
57-59
- 6 CLEAN WATER AND SANITATION  
87-88
- 7 AFFORDABLE AND CLEAN ENERGY  
90-91
- 8 DECENT WORK AND ECONOMIC GROWTH  
46-61
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  
90-91
- 10 REDUCED INEQUALITIES  
49, 50, 57-60
- 11 SUSTAINABLE CITIES AND COMMUNITIES  
89-95, 101-104
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  
73-78
- 13 CLIMATE ACTION  
89-95
- 14 LIFE BELOW WATER  
97
- 15 LIFE ON LAND  
97
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS  
66, 114-121
- 17 PARTNERSHIPS FOR THE GOALS  
60, 61, 84, 99, 106

# GRI Index

## Guidelines GRI G4-18

The report herein was structured in keeping with the principal guidelines published by the Global Reporting Initiative (GRI). At Walmart de México y Centroamérica we strive to provide continuity to the clear and transparent publishing of our performance; this report was published in accordance with the Global Reporting Initiative's (GRI) G4 guidelines "Comprehensive" option.

## Scope

This report outlines the performance of all the business formats belonging to Walmart de México y Centroamérica, in the six countries where we operate; its coverage includes the operation of our units, distribution centers, and offices.

## Period

The information contained in this report covers the period from January 1 to December 31, 2017.



# GRI G4 Content Index

Indicator	Disclosure	Page	External Assurance
	Strategy and Analysis	6-9	
	Organizational Profile	41-42	
	Report Parameters	134	
	Report Scope	134	
	Governance, commitments and engagement	108-121	
<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	21-22	YES
<b>G4-18</b>	Process for defining the report content and the aspect boundaries	Walmex 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 134	NO
<b>G4-19</b>	List all the material aspects identified in the process for defining report content	Materiality study available at: <a href="https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf">https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf</a>	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	Materiality study available at: <a href="https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf">https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf</a>	NO
<b>G4-21</b>	For each material aspect, report the aspect boundary outside the organization	Materiality study available at: <a href="https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf">https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf</a>	NO



Indicator	Disclosure	Page	External Assurance
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	22	NO
G4-23	Significant changes related to previous reports	There were no significant changes.	NO
<b>Stakeholder Engagement</b>			
G4-24	List of stakeholder groups engaged by the organization	128-133	NO
G4-25	Basis for identification and selection of stakeholders with whom to engage	128-133	NO
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Materiality study available at: <a href="https://walmex.mx/informe/2016/Walmart_Final/docs/Materiality_WM_16.pdf">https://walmex.mx/informe/2016/Walmart_Final/docs/Materiality_WM_16.pdf</a>	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	Materiality study available at: <a href="https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf">https://www.walmex.mx/assets/imagenes/responsabilidad_corporativa/descargables/en/Walmex%20Materiality.pdf</a>	NO
G4-32	Report the 'in accordance' option the organization has chosen	134	NO
<b>Economic</b>			
EC1	Direct economic value generated and distributed	10-22	NO
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	95	NO
EC3	Coverage of the organization's defined benefit plan obligations	56, 104	NO
EC4	Financial assistance received from government	Not available	NO
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Our general wage band is 15% higher than the average minimum wage in Mexico.	YES
EC6	Proportion of senior management hired from the local community at significant locations of operation	In Mexico, 99% of top management are Mexican citizens; in Central America, 83% are Central Americans.	NO
EC7	Development and impact of infrastructure investments and services supported	Not applicable	NO
EC8	Significant indirect economic impacts, including the extent of impacts	47, 68-72	YES
EC9	Proportion of spending on local suppliers at significant locations of operation	63, 68-72	YES

Indicator	Disclosure	Page	External Assurance
<b>Environmental</b>			
EN1	Materials used by weight or volume	85	YES
EN2	Percentage of materials used that are recycled input materials	85	YES
EN3	Energy consumption within the organization	90-91	YES
EN4	Energy consumption outside of the organization	Not available	NO
EN5	Energy intensity	91	YES
EN6	Reduction of energy consumption	90-91	YES
EN7	Reductions in energy requirements of products and services	90-91	YES
EN8	Total water withdrawal by source	88	YES
EN9	Water sources significantly affected by withdrawal of water	According to corresponding criteria, our regional consumption is not significant, thus water sources have not been negatively affected by water catchment.	NO
EN10	Percentage and total volume of water recycled and reused	The numbers were estimated under an approved methodology. We are working to have 100% of the information from measurements on site.	YES
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	We don't have operational sites at protected areas and areas of high biodiversity value.	YES
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	4,366 trees delivered to municipal and state authorities, as a compensation measure for environmental impacts in the construction of 18 new projects.	YES
EN13	Habitats protected or restored	Not available	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	Not available	NO
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	93	YES
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	93	YES

Indicator	Disclosure	Page	External Assurance														
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	93	YES														
EN18	Greenhouse gas (GHG) emissions intensity	94	NO														
EN19	Reducción de las emisiones de GEI	92-95	NO														
EN20	Emissions of ozone-depleting substances (ODS)	93	NO														
EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions*	<table border="1"> <tr> <td></td> <td>Ton</td> </tr> <tr> <td>NO<sub>x</sub></td> <td>25,913</td> </tr> <tr> <td>SO<sub>x</sub></td> <td>424</td> </tr> <tr> <td>PM particles</td> <td>1,480</td> </tr> <tr> <td>VOC</td> <td>1</td> </tr> <tr> <td>POC*</td> <td>0.01</td> </tr> <tr> <td>HAP*</td> <td>462.6</td> </tr> </table>		Ton	NO <sub>x</sub>	25,913	SO <sub>x</sub>	424	PM particles	1,480	VOC	1	POC*	0.01	HAP*	462.6	NO
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PM particles	1,480																
VOC	1																
POC*	0.01																
HAP*	462.6																
	*Excluding Central America																
EN22	Total water discharge by quality and destination	88	NO														
EN23	Total weight of waste by type and disposal method	82-86	YES														
EN24	Total number and volume of significant spills	In Mexico, at Walmart Supercenter Bonampak, Quintana Roo one significant diesel spills of 1,350 liters. We carry out the immediate cleaning of the site, contaminated soil disposition, report to the Profepa, initial environmental verification and additional environmental verification required by the municipal authority.	YES														
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	1,083 tons of hazardous waste.	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	In Mexico there was no significant affectation due to spills or runoff due to spills.	NO														
EN27	Extent of impact mitigation of environmental impacts of products and services	97	NO														

Indicator	Disclosure	Page	External Assurance
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	85	NO
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In Mexico, 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	94	NO
EN31	Total environmental protection expenditures and investments by type	5	NO
EN32	Percentage of new suppliers that were screened using environmental criteria	64-67	NO
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	64-67	NO
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	In Mexico, 7 claims concerning noise solved. In Central America 138 visits from Government agencies and 7 claims.	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	49-50	YES
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	56	NO
LA3	Return to work and retention rates after parental leave, by gender	In Mexico 96% and in Central America 99%, of associates who benefited from this new policy, returned to work after completing their maternal or paternal leave.	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	54-55	YES
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	54-55	YES
LA7	Workers with high incidence or high risk of diseases related to their occupation	54-55	YES
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	47	YES

Indicator	Disclosure	Page	External Assurance
<b>LA10</b>	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		47-52 YES
<b>LA11</b>	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	112,640 evaluated associates.	YES
<b>LA12</b>	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	61	YES
<b>LA13</b>	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	59	NO
<b>LA14</b>	Percentage of new suppliers that were screened using labor practices criteria	64-67	NO
<b>LA15</b>	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	64-67	NO
<b>LA16</b>	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	In Mexico, 8,213 labor suits were filed in 2017 and during previous years; 7,078 were filed by associates and 1,135 by suppliers; in 2017, a total of 6,656 filed by associates and 840 by suppliers were settled.	YES
<b>Human Rights</b>			
<b>HR1</b>	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	64-67	NO
<b>HR2</b>	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	118	YES
<b>HR3</b>	Total number of incidents of discrimination and corrective actions taken	118	YES
<b>HR4</b>	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	64-67	NO
<b>HR5</b>	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	64-67	NO
<b>HR6</b>	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	64-67	NO
<b>HR7</b>	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	118	NO
<b>HR8</b>	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Not available	NO

Indicator	Disclosure	Page	External Assurance
<b>HR9</b>	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	64-67	NO
<b>HR10</b>	Percentage of new suppliers that were screened using human rights criteria	64-67	NO
<b>HR11</b>	Significant actual and potential negative human rights impacts in the supply chain and actions taken	64-67	NO
<b>HR12</b>	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	118	NO
<b>Society</b>			
<b>SO1</b>	Percentage of operations with implemented local community engagement, impact assessments, and development programs	98-107	YES
<b>SO2</b>	Operations with significant actual or potential negative impacts on local communities	There were 160 claims in Mexico on social impact, attended by Community Support Area.	NO
<b>SO3</b>	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	118	NO
<b>SO4</b>	Communication and training on anticorruption policies and procedures	118	YES
<b>SO5</b>	Confirmed incidents of corruption and actions taken	- Report of Independent Auditors, Note 15, paragraph c Legal proceedings, pages 174-175.  - Walmart Stores, Inc (Walmart Inc today) release send to SEC, at november,16 2017.	NO
<b>SO6</b>	Total value of political contributions by country and recipient/ beneficiary	Contributions to any political party whatsoever or to any related institution are strictly forbidden at our Global Anticorruption Policy.	NO
<b>SO7</b>	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	We have neither incurred in antitrust practices nor acted against free enterprise.	NO
<b>SO8</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not available	NO
<b>SO9</b>	Percentage of new suppliers that were screened using criteria for impacts on society	64-67	NO
<b>SO10</b>	Significant actual and potential negative impacts on society in the supply chain and actions taken	64-67	NO
<b>SO11</b>	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	64-67	NO

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	<b>Our Brands products/ Self-service</b> Concept development No R&D Yes Certification Yes Manufacturing and production Yes Marketing and promotion No Storage, distribution and supply No Utilization and service No Elimination, reuse and recycling No Number of products New products 375 Reengineering 76	
<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	75	YES
<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	78	YES
<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	78	YES
<b>PR5</b>	Results of surveys measuring customer satisfaction	33-35	YES
<b>PR6</b>	Sale of banned or disputed products	Walmex has identified countries with which does not do business. Trains, communicates and monitors about the same. For the eCommerce business, prohibited products have been identified and monitored on the same.	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	78	NO
<b>PR8</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	We have not received claims on privacy violation matters and/or the improper release of customer data.	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	In Mexico, no significant fines were reported.	NO