



Behind every moment, there is a team being transformed

Agile Transformation

Customer Centricity | Associate Value Proposition



+2,200 million

transactions in our stores and clubs



50% less kilometers

travelled on eCommerce deliveries
in 17 states



9.5 million hours

in associates training

Customer Centricity

Our customers are our highest priority, along with our associates, and the communities where we operate; this is reflected in our basic principles, which are the values that guide our decisions and leadership.

We are transforming ourselves to respond in a more agile way to new consumer habits. In this way, the digital aspect becomes more relevant for our customers.

That's why we changed our way of working and keep focusing on offering a seamless omnichannel shopping experience, where customers can move easily and seamlessly between the store and the digital platforms.

We are here to serve our customers and contribute positively to the communities that we serve.



Our Business

Agile Transformation

We Generate value

Commitment
to Honesty

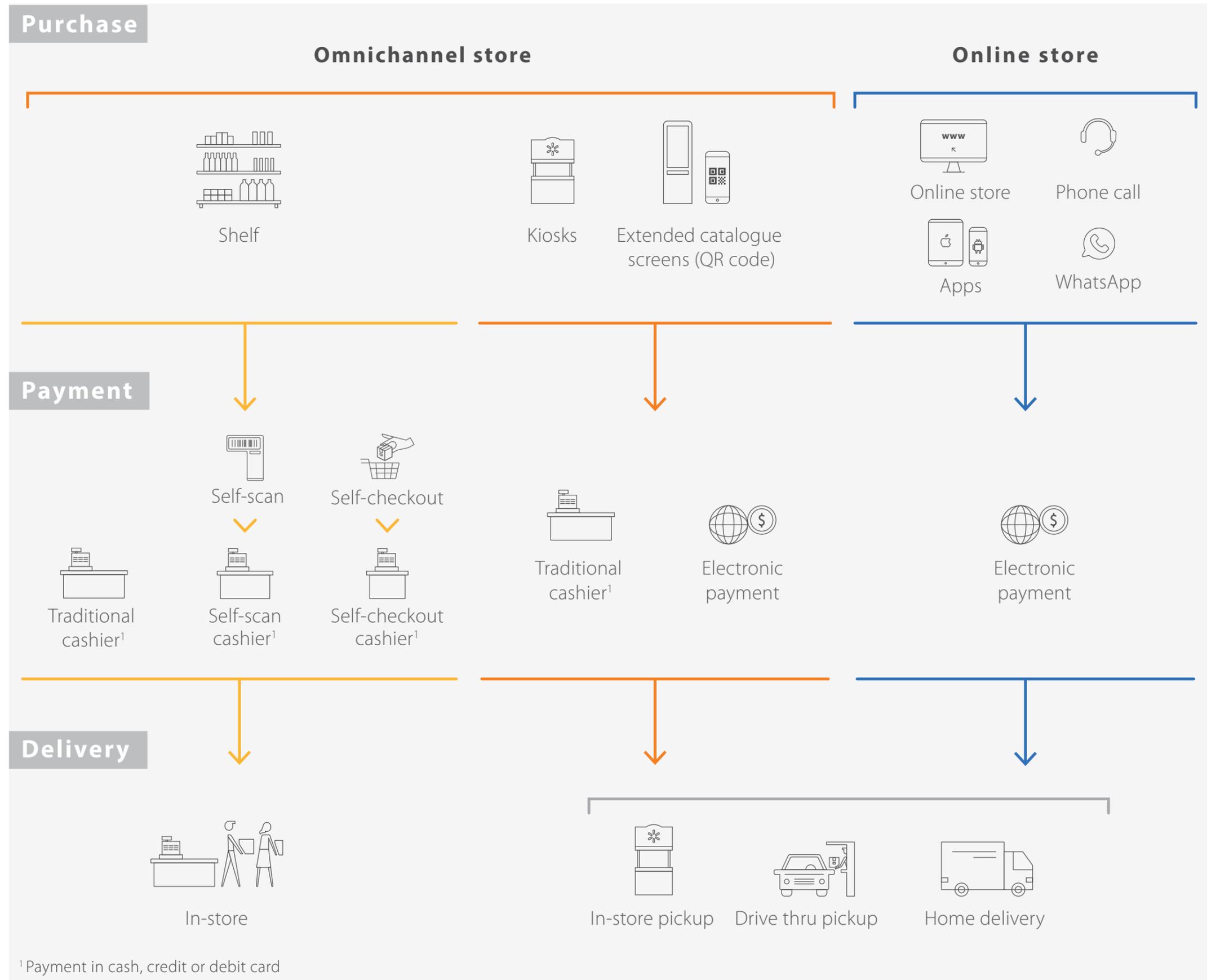
Financial and Corporate
Responsibility Report 2019

Transforming the in-store and digital platform experience

The omnichannel experience

Customers can purchase in the brick-and-mortar store or digital platforms, using different means of payment and choosing different ways of delivery of their merchandise.

At the omnichannel store, we mix the benefits of the brick-and-mortar store with new digital advantages. Inside the store, our customers can make online shopping through kiosks and extended catalogue screens. To receive their merchandise, they can choose between: pickup for in-store collection, home-delivery, or select products directly from the shelf. Digital platforms give our customers the flexibility to buy at the time and place that is most convenient for them.





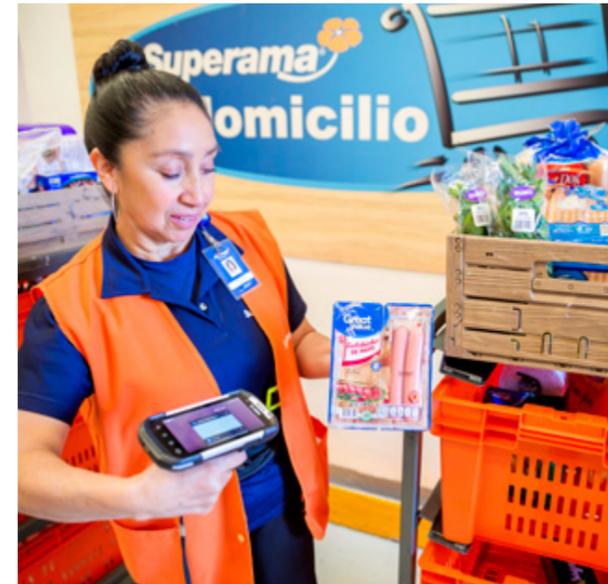
Agile team planning



Jul.26.2019 / **11:32am**
Purchase in Superama's app



Jul.26.2019 / **12:45pm**
Picker collecting order



Jul.26.2019 / **02:15pm**
Home delivery



Innovations in store and digital platforms help improve the omnichannel experience, meaning that our customers can buy how they want, where they want, and when they want.

Jul.26.2019 / **04:15pm**
Family enjoying



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In-store transformation

We keep increasing the number of stores with omnichannel capabilities so that our customers can mix the best of the physical and digital worlds. Within the Walmart and Bodega Aurrera stores, we already have 894 digital kiosks, where customers can buy extended catalogue items. We have equipped 1,115 pickup points in which our customers can pick up their orders without paying more.

We innovate for our customers with the self-checkout option. The new technology helps customers scan their products themselves and pay by credit, debit card or cash, giving them greater independence and speed in the purchase process. Patio Santa Fe in Mexico City was the first Walmart store with these features.

Another innovation are our stores with self-scan, where our customers scan and pack their products, and then pay in a special register, also making the purchase and payment processes more efficient.

Bodega Aurrera is taking firm steps in omnichannel coverage. This year, we opened more than 300 extended catalogue kiosks to buy digitally and pick up their products at the nearest store. Our omnichannel offer is found in all segments of the population.

* **894** digital kiosks
offering extended catalogue

* **1,115** drive thru pickup



* **3 formats enabled**
with self-checkout and self-scan, Bodega, Walmart and Superama

* **1st inclusive store**
Walmart Punto Guadiana

We opened our first inclusive store, Walmart Punto Guadiana in Durango, where our customers and associates will find features that expand accessibility for pregnant women and senior citizens. Its design has help buttons, special accesses, accessible furniture, and tactile guides that facilitate the shopping experience for people with visual, motor, or hearing disabilities, giving them greater independence when shopping. We also included features for our associates that allow for a more enjoyable and autonomous way of working.

In Central America, we expanded our purchasing options with the launch of the pickup service in Guatemala and Costa Rica. The Paiz Naranja Supermarket store, located in Guatemala, is pioneer in Central America offering customers the possibility to pick up their products at the store.

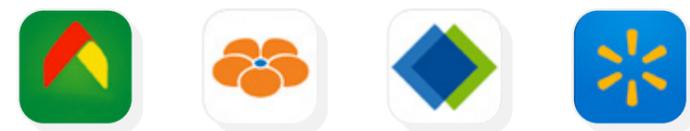
We are expanding experiences beyond a purchase, supporting the communities where we serve with opportunities for our customers to go to a doctor's office, use our banking services or even recycle their packaging using automatic machines, all while doing their shopping in store.

Digital platform transformation

To enhance the digital experience, our apps, website, and now WhatsApp keep evolving to provide a seamless shopping experience.

We launched the Bodega app, with which our customers can buy and choose to receive their orders via home-delivery or pick them up at the selected store's pickup. The new app helps find thousands of brands and exclusive products online. We also redesigned the portal entrecampeonas.com. The website changed to make it easier to find family care, wellness, and cooking tips.

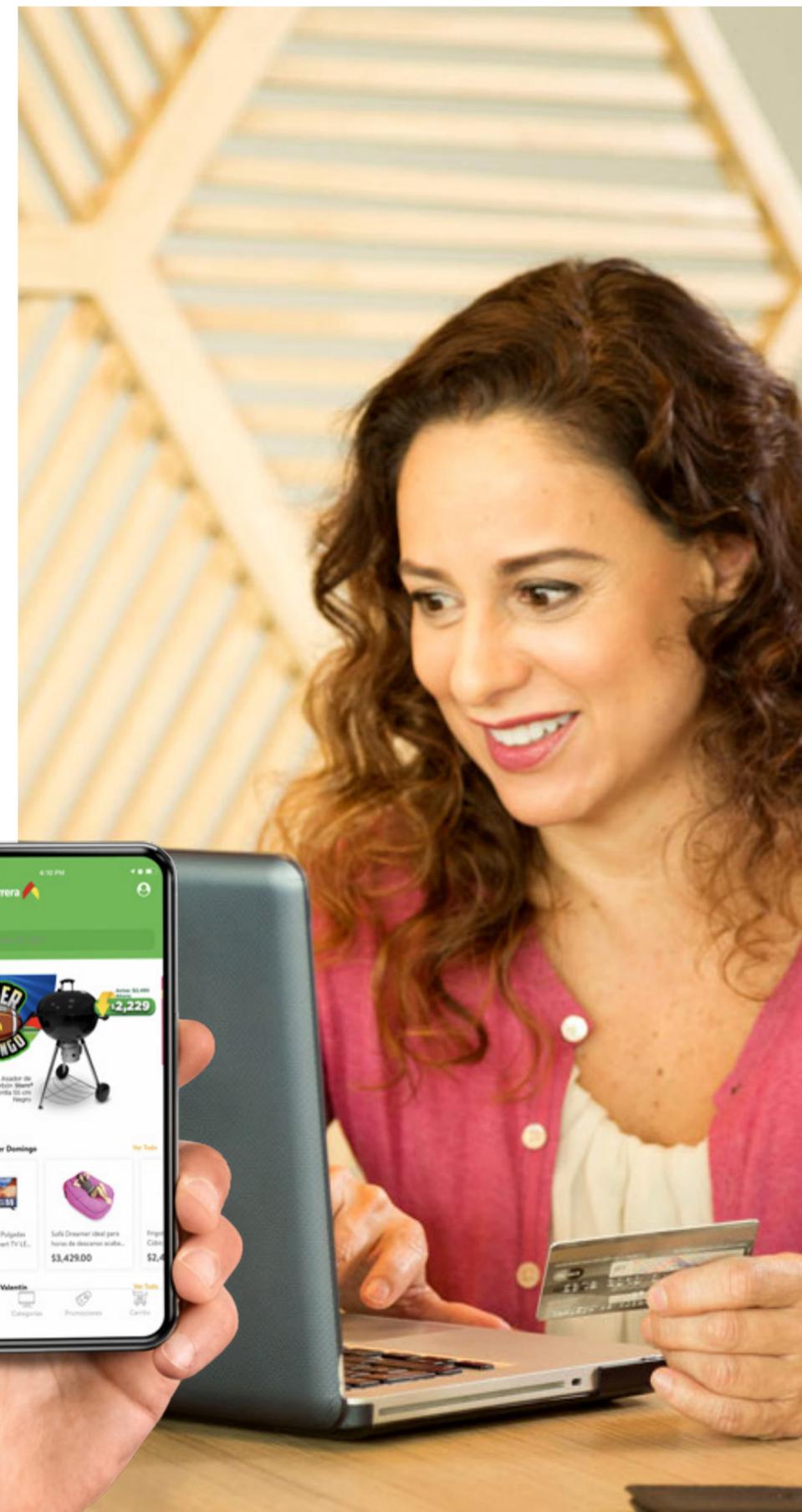
The new Walmart Plus app offers an extended General Merchandise catalogue, so our customers can find additional products to the existing ones in the store in a useful and easy way.



At Superama, it is now possible to use WhatsApp to order groceries from home. This service is available in cities where the format has presence. Our customers can purchase via text message or send photos of their products to our WhatsApp number. The app helps you follow up on orders 24 hours a day, 7 days a week.

Benefits is the new app to find exclusive promos for Sam's members at affiliated stores. It's easy to find great savings on movie tickets and promos in categories like restaurants, health, beauty, and entertainment. In addition to Sam's Club Travel program offers savings on travel, flights, and cruises.

Follow up on orders
24 hours a day,
7 days a week.



Making home-delivery more agile

We improved our on-demand delivery promise, which is our home-delivery initiative, and we are ready to deliver more than 12 thousand technology and home products on the same day, as well as the fresh products and consumables we already provide. We offer this service in 256 Walmart and Superama stores.

To reduce delivery time, we opened two exclusive eCommerce distribution centers, one of them in Guadalajara and the other one in Monterrey, in addition to the already existing in Mexico City. In this way, we are adding more than 500 thousand square feet to our logistics capacity.

We redesigned our process within our stores and clubs to improve our home-delivery. This year at Sam's we put in place new technological

tools, which facilitate and improve the routes of our members when filling orders within the club, to achieve a fast and complete delivery for our members.

We trained our associates to choose fruits, vegetables, and other fresh products in the same way our customers would, but without leaving home.

In the last mile, we invested in technology that automatically traces the best route to reduce delivery distance and consolidate orders, improving customer experience and reducing environmental impact.

* **+12,000 products**
of technology and home ready
for same-day delivery

* **+500,000 ft²**
of additional capacity in our Mexico
distribution centers



Our Business

Agile Transformation

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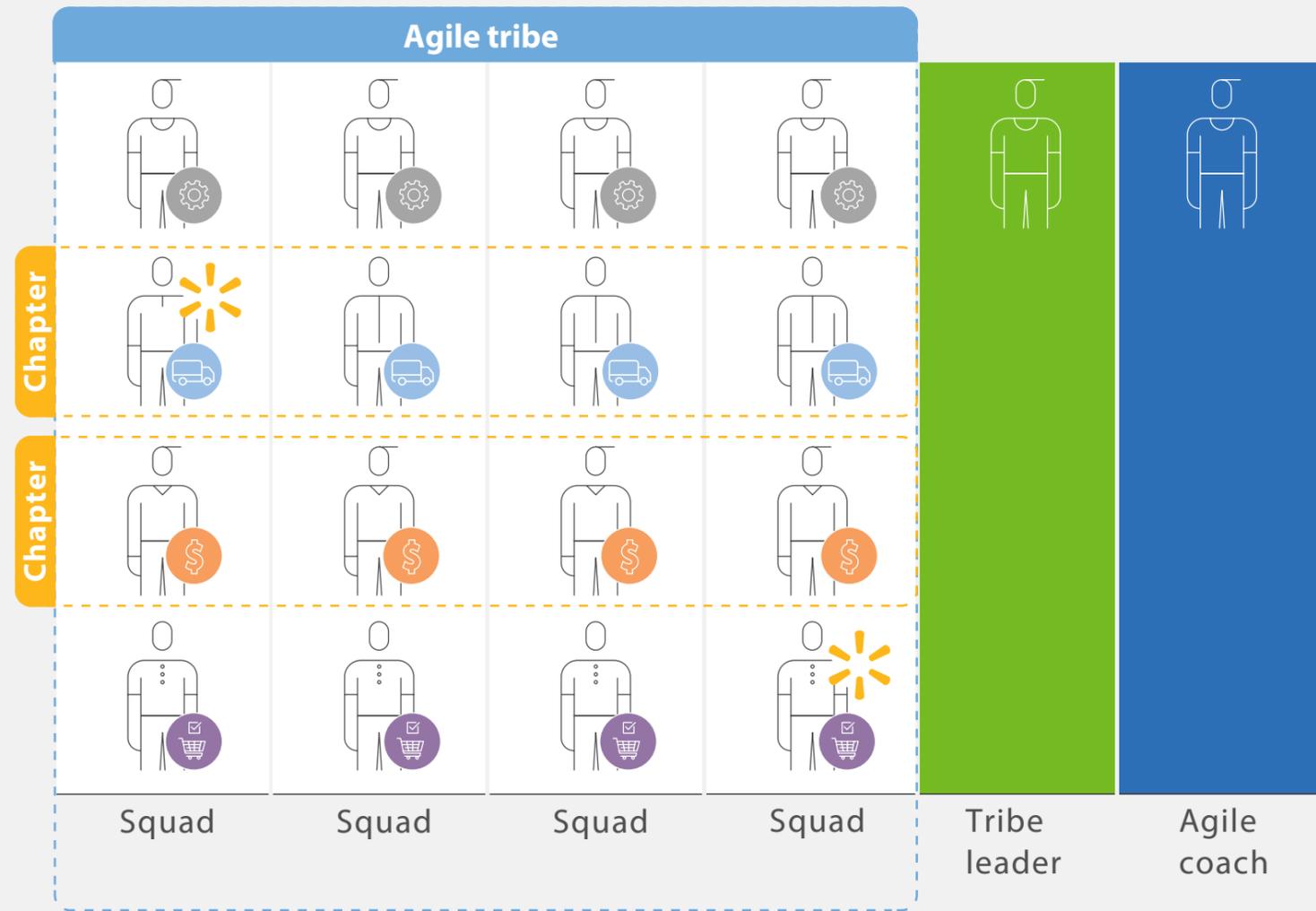
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Agile solutions

Due to the continuous evolution in our customers' purchasing habits, we changed our way of working, organizing ourselves in new teams called agile tribes.

The agile tribe is a multidisciplinary team designed to roll out an end-to-end solution, in a matrix organization within a lean-structure, into small groups called squads. To manage and expand technical knowledge within the tribes, specialists in the same discipline are organized in chapters. By bringing together a broad knowledge of the organization, we get more effective solutions, which would otherwise take more time as we go through different areas of the company, this allows us to provide better solutions.

We remodeled our work spaces with the purpose of organizing ourselves in a more collaborative way. Now, the day starts with a quick and brief meeting in the different teams where we clarify activities, priorities, review progress, and detail the obstacles to be solved. Taking advantage of the whole team's experience in different disciplines, we understand and attend customers' needs.



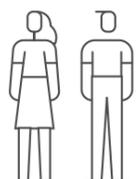
- **Tribe:** Multidisciplinary team designed to implement an end-to-end solution, matrix organization within a lean-structure organized in squads and chapters
- **Squad:** It is a small team of specialists in various backgrounds, working to achieve a shared goal within the tribe
- **Chapter:** Specialists of the same function working in different squads.
- **Tribe leader:** Through servant leadership, they set a vision, guide priorities, and empower tribe members to achieve a customer-centric, end-to-end solution
- **Agile coach:** Expert in the Agile methodology that promotes and guides teams in the new way of working. Encourages high performance and visualizes potential obstacles to be removed
- ✦ **Chapter leader:** Expert in their role, so they provide coaching. He or she is also responsible for expanding and managing technical knowledge



Transformation pillars



Customer centricity



Associate



Way of working



Data analytics

It is a cultural and structural change, in which we design an initial solution and test it to improve it in continuous loops of learning and decision. The new culture accompanies the new structure. Our strategy of becoming an agile organization is the North Star that guides our decisions and leadership.

We inspire our associates by creating a trust culture and empowering them through leaders who provide vision, not just direction.

Our decisions are based on facts, so we created our Data Office, which uses advanced analytical solutions and models to make more reliable decisions.

By placing data as the basis for decisions, through rapid learning loops, and adaptation focused on the customer, we minimize the risk of designing a solution that does not meet customer needs. This helps us to quickly evaluate the result and adjust direction.

We are excited about the transformation our organization is going through. We are re-imagining retail from a solid position. We are confident that this journey, which is just beginning, will pay off for our customers, associates, and shareholders.



Communication and campaigns with customers

Our digital transformation focuses on more personalized messages and services with our customers. We rely on using data and technology to have a better understanding of our customer and to be able to differentiate between audiences the best way possible.

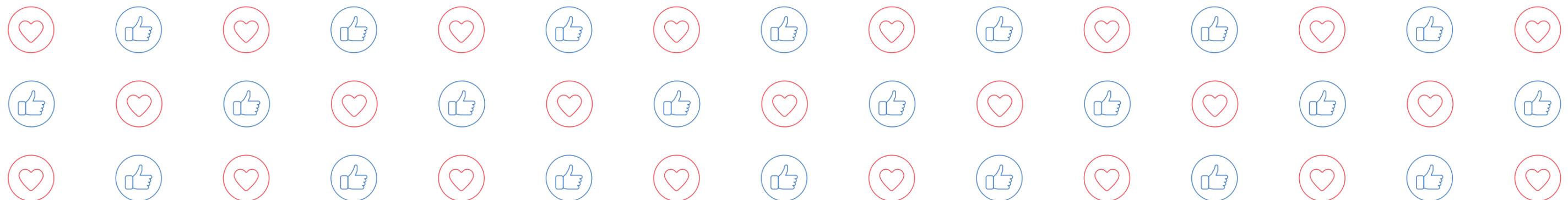
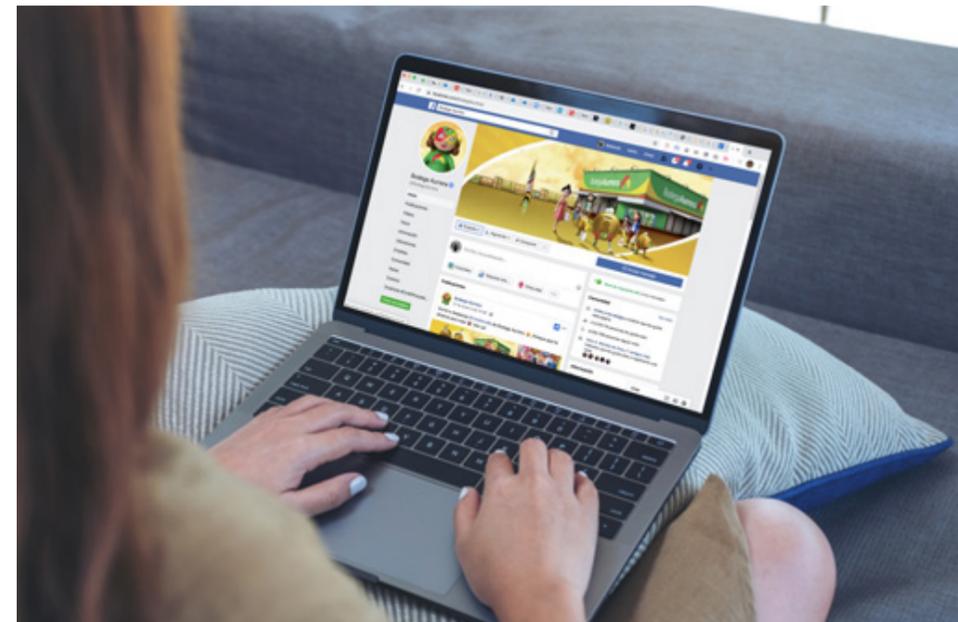
The fan page of Bodega has the largest number of followers in Mexico, with more than 8 million. This gives us the opportunity to connect directly with customers. Our program Cocinando con tu Morralla (Cooking with your spare change) is the first reality show in social networks. This year we launched the second season, for which we decided to create recommendations closer to the public with cooking tips made directly from customer to customer, instead of a cooking expert.

At Walmart, seasonal events such as Rebajas para Todos (Sales for all), which was very successful during summer, and the creative exhibition

contest, where our associates compete among stores to win the best display, have been key to the format's good performance. The campaign Maestros de la Parrilla (Grill Masters) is an example of how Superama is creating experiences with our customers while capitalizing on new buying opportunities and differentiating itself from its competitors.

At Sam's, our efforts are focused on improving, through digital transformation, the interaction with our members, inside and outside the club. During the year, we worked on events such as Shopping Online Days, Open House, and Socio Fest, offering exclusive benefits for members and recruitment campaigns to attract thousands of potential members.

* **+8 million followers**
on the fan page of Bodega



Satisfied **customers** and **members**



We are a customer-oriented company that works as a team to meet the clients needs. We listen to the opinions and needs of our customers and members every day, and strive daily to improve our performance.

Golden Rule



The customer
is always right



Our Business

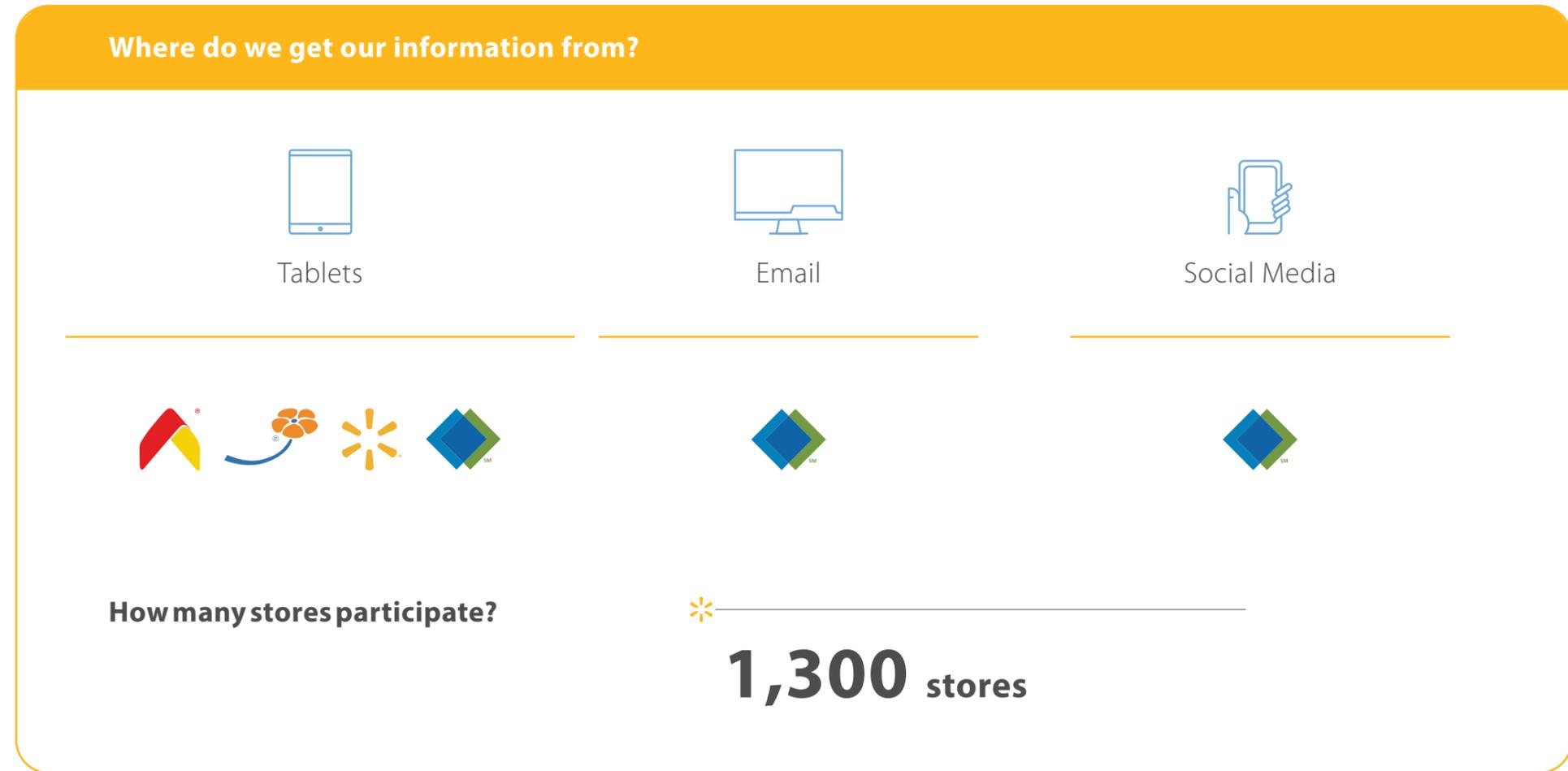
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We improve the experience of our customers and members

We have the Customer Experience Index and Member Experience Index to measure and continuously improve our performance. These digital tools have the purpose to follow up the shopping experience through a satisfaction survey. The indexes help us to identify our strengths and opportunities to develop action plans to improve the customers experience.



Through data analysis and intelligence, we have results by store, district, region, and category.

* 47,722,093 surveys applied to our customers and members in the region

Sam's Club



- ☑ We increased the referral rate of our members.
- ☑ We increased membership renewal intention for members who purchase from clubs and online.
- ☑ It is the best evaluated format in terms of general satisfaction.
- ☑ We significantly improved our Online Member Experience Indicator.

With the above, we validated our promises to the members:

- Quick
- Kind
- Clean
- Safe
- Product

Self-service



- ☑ We increased the next purchase indicator for all formats in Mexico, i.e., customers who will return to our stores for their next purchases.

With the aforementioned, we validate our promises to customers and members:

- Freshness and quality
- Assortment
- Service
- Price
- Experience
- Satisfaction

We know there are situations in which our customers are not satisfied, generating complaints, comments, or suggestions, so we have a Corporate Contact Center where we provide different means of communication for our customers: custom phones for business 01800, scheduled call, email, corporate chat, and social networks. In this way, we have been able to detect opportunities in our operation to continue improving service nationwide.



In Central America, we strengthened the measurement of promises to customers with different criteria that fit each format and its value promise.

Additionally, we deliver weekly reports to the operation in order to make improvements in the short term that help us provide a closer experience to what customers expect.

We received responses from over one million customers from 100% of the business units of the four formats in the region.



Consumer Protection

GRI 103-1, 103-2, 103-3

We are committed to comply with all applicable consumer protection laws and regulations where we operate and to provide consumers with clear and accurate information about our products and services.

Communication about our products, prices, services, and promotional offers demonstrates our respect for the individual and helps our customers make informed buying decisions. We earn and maintain customer loyalty by developing and effectively implementing policies, programs, and processes in our company.

To do this, every year we carry out an intense communication and training program for our store, club, and staff associates, who develop advertising or promotions, in order to ensure that are clear, truthful, and in compliance with the requirements of applicable regulations.

This includes specific rules per product category having specific standards, such as alcoholic beverages, cigarettes, baby formula, and medicine.

Similarly, Consumer Protection has a communication program for both the staff and operation associates to constantly reinforce rules and best practices, in order to avoid sanctions from the government and ensure satisfied customers.

Additionally, we have scale calibration programs in all our units, as well as procedures for returning products. The foregoing, in order to comply with applicable law and to generate satisfactory shopping experiences.

We have implemented a Trust and Safety program for our eCommerce platforms in order to verify that product information is correct and avoid selling products prohibited by applicable regulations or by internal policies, such as offensive products (discriminatory ones or with inappropriate language).

Labeling

GRI 416-2, 417-1, 417-2, 414: 103-1, 103-3 ,419: 103-1, 103-2, 103-3, 419-1

We review the labelling of Private Brands products, making sure that the safety information is in accordance with the legislation applicable to each product. We provide counseling to our associates and create different guides and tools for the review of the labels by the operation associates.

Main requirements for labeling are:



Origin of the product or service components



Contents regarding substances that might have an environmental or social impact



Instructions for product or service safety

Mexico



999 labels

were validated



930 labeling

incidents



300 resulted in

fines or penalties



35 authority

actions due to non-compliance



61 visits

from health and consumer protection authorities

Central America



31% categories

significant



39 visits

from health and consumer protection authorities



17 cases

concerning labeling inconsistencies for which corrective action was taken

We focus on five significant categories by volume and product sensitivity: National food and beverage, imported food and beverage, cosmetics, hygiene products, pharmaceuticals.



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Responsible merchandising

GRI 417-3

Mexico



10 marketing incidents



10 resulted in fines or penalties

Central America



Zero processes fined or sanctioned



40 resulted in lack of compliance of voluntary codes



40 incidents arising from customer complaints, relating to non-compliance in advertising matters, which were followed up with corrective action.



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We promote a **healthy lifestyle**

GRI 416: 103-1, 103-2, 103-3



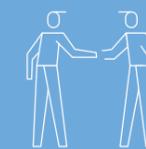
We are interested in our customers' health and well-being. We focus on three pillars to support them in having a healthy lifestyle and habits that help them stay healthier:



To offer sustainable products



To promote physical activity



To educate our customers



Our Business

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We Generate value

Commitment to Honesty



To offer sustainable products

We have a team specialized in responsible marketing communication, transparency in the nutritional content of products, as well as in product innovation and improvement of nutritional profiles through sodium, fat and sugar reductions, among other aspects. We have considerably increased our offer of healthy and nutritious products such as: Gluten free, Sugar free, Organic, Kosher, Free of trans fat, Low sodium, among others.



To promote physical activity

Superama organizes a 5 and 10 kilometers race, Corre ConSentido, We know that our customers' lifestyle is dynamic, healthy, and family-oriented, so we give them an opportunity to practice their athletic skills and spend time together as a family. Additionally, the race is an event with a social cause, where 100% of the registrations fees are donated to different charities.





To educate our customers

The Consumer Goods Forum is a global organization that brings together main retailers and producers of consumer products around the world to achieve positive changes in the industry and among its consumers. Doug McMillon, President and Chief Executive Officer for Walmart, Inc., serves in the Global Board, and, Enrique Ostalé, Chairman of the Board of Directors for Walmart de México y Centroamérica, represents the company in the Latin American region chapter.

As these subjects are so important for the region, we decided that our initial efforts should be centered on Health and Wellness.



México Ponte Bien

Walmart de México y Centroamérica, in alliance with Arca Continental, Bimbo, Coca-Cola, Colgate Palmolive, Danone, Grupo Lala, Johnson & Johnson, Kellogg's, Mars, Nestlé, Procter & Gamble, PepsiCo, and Sigma, is implementing Mexico Ponte Bien, an initiative of the Consumer Goods Forum, which aims to promote among our customers the importance of making conscious purchasing decisions that let them adopt healthy lifestyles.

The 2019 event lasted three days in 10 Walmart stores in Mexico City, where customers could find exhibition stands with information about four pillars: Health and Wellness, Quality, Sustainability, and Value Chain, encouraging better lifestyles with a balanced diet, food portion control, and good personal care and hygiene habits.



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Our **geographic scale** and **coverage**

Through the years, we have to build a solid business by focusing on understanding the needs and particularities of each location, always looking to delight our customers in the 675 cities where we operate.

Another advantage is the international scale of our organization, as we have access to experience and technology that have been successful in other Walmart markets. This helps us learn from other markets and improve investments in technology, because implementation cycles are shorter and require less capital since a lot of the innovation is already developed in other

Walmart international operations. Also, we have an important global talent network that allows us to access proven best practices in different regions.

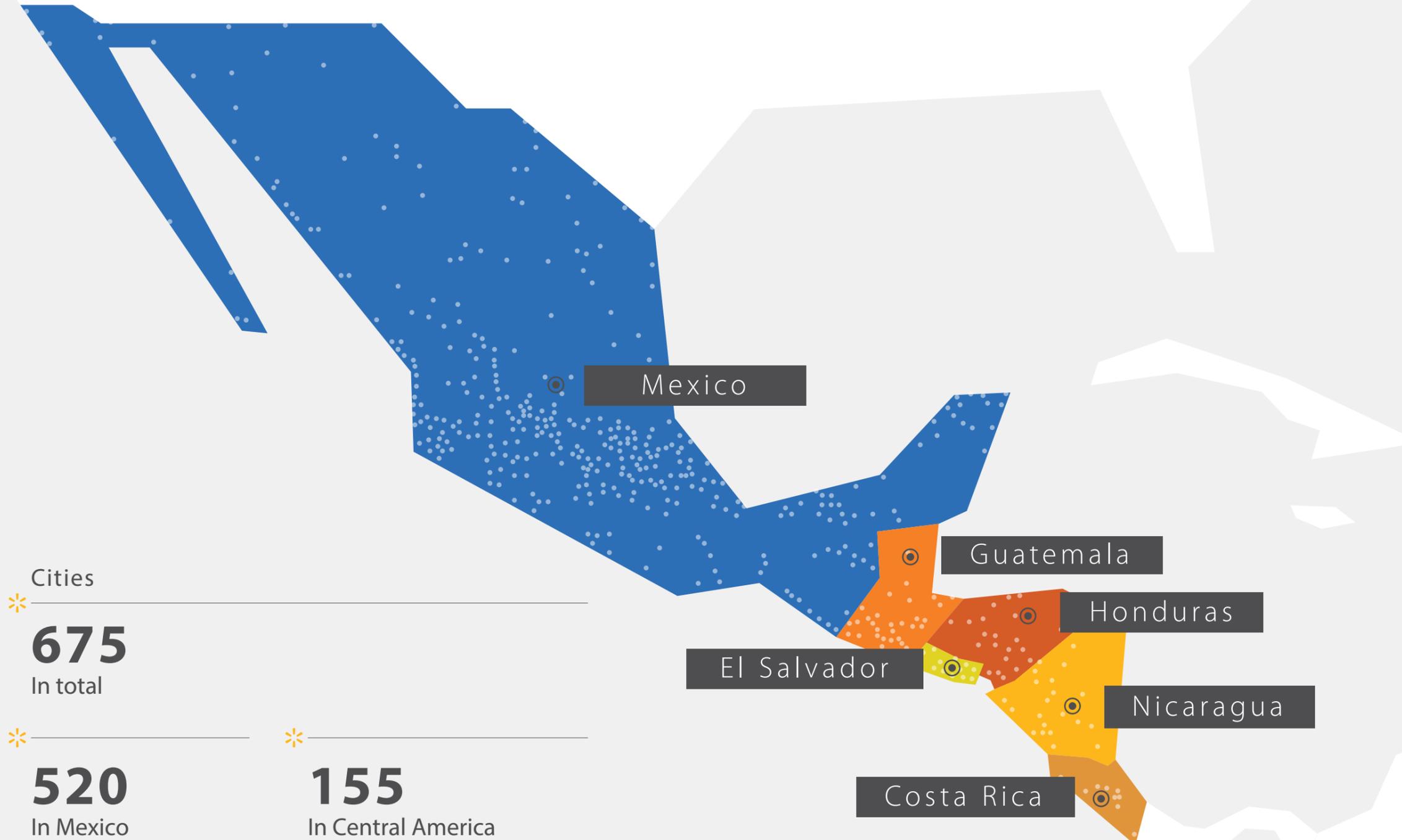
In Mexico, we created a group of stores where we tested the initiatives and new technologies and that were successfully implemented in other markets of the organization on an international level. Once they were adapted to the needs of our local customer, we started to deploy them to the remaining stores and clubs.

To win at omnichannel, we have an extensive logistics network that supplies more than 3,400 stores and clubs in six countries.

In Mexico, 85% of the population in major cities lives within 10 minutes of one of our stores, putting us in a great position to lead in on-demand delivery by turning our stores and clubs into thousands of home delivery points.

Geographic presence

Our presence covers six countries where we operate four commercial formats serving different markets.



Cities

* **675**
In total

* **520**
In Mexico

* **155**
In Central America

Mexico & Central America

* **3,407**
Total units

* Mexico

2,571
Units

2,035 Bodegas Aurrera
280 Walmart
163 Sam's Club
93 Superama

16
DC

* Central America

836
Units

549 Discount stores
155 Bodegas
33 Walmart
99 Supermarkets

12
DC



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Associates **value proposition**

GRI 102-8



We are committed to placing our people at the center of our decisions, because we want to be the best place for them to be, grow, and belong. Our associates, who experience this daily, are our best reference. They recommend the company as the best place to work and this helps us attract the talent we need from the market to build the future of retail.



Associate Value Proposition

GRI 401: 103-1, 103-2

Mexico

A place where you can be yourself

Everyone is welcome

A place that inspires you

Everything is possible

You get where you want to be

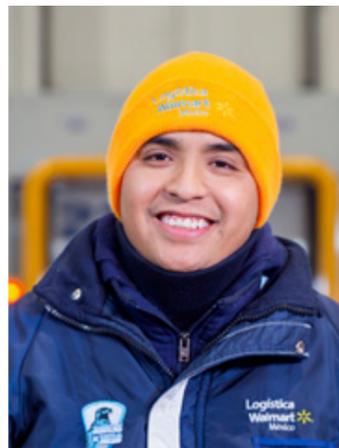
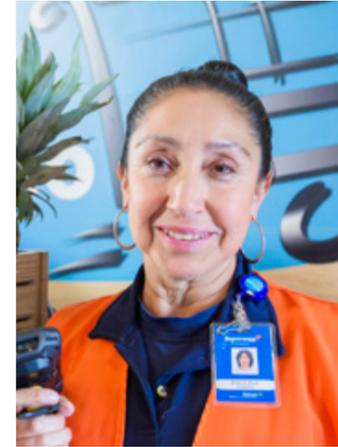
Grow more and keep learning big

You make a difference

Improving the quality of life of those who need us the most

You reinvent the retail rules

Digital is a mentality and a way of working



Central America

Goal

This is the place where you grow up together with millions of families

Challenge

This is the place where you find the greatness to overcome challenges

Opportunity

This is the place where you strengthen yourself with unique opportunities

Inclusion

This is the place where every difference makes us who we are

Enjoyment

This is the place where we enjoy what we do

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Our talent

GRI 203-2, 401-1

The retail industry - as a point of entry to work, a place to acquire valuable skills and a significant portion of the overall labor market - is considered a gateway to upward mobility for thousands of people and helps address the need for workforce development. Acknowledging this, we are committed to helping the retail industry be a place that creates opportunities, a platform for people to gain the skills and experience needed to advance in the workforce.

8,543 jobs generated

Our associates



53%
Women



47%
Men



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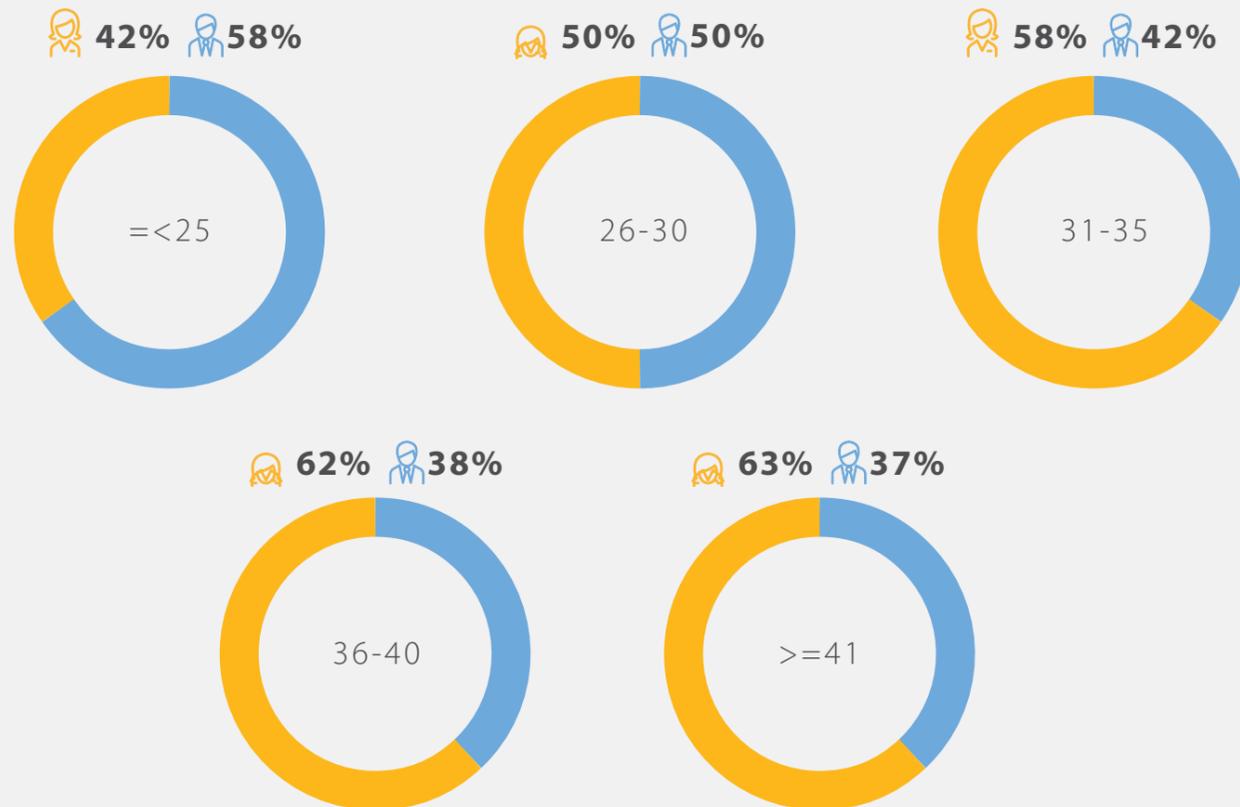
Commitment to Honesty

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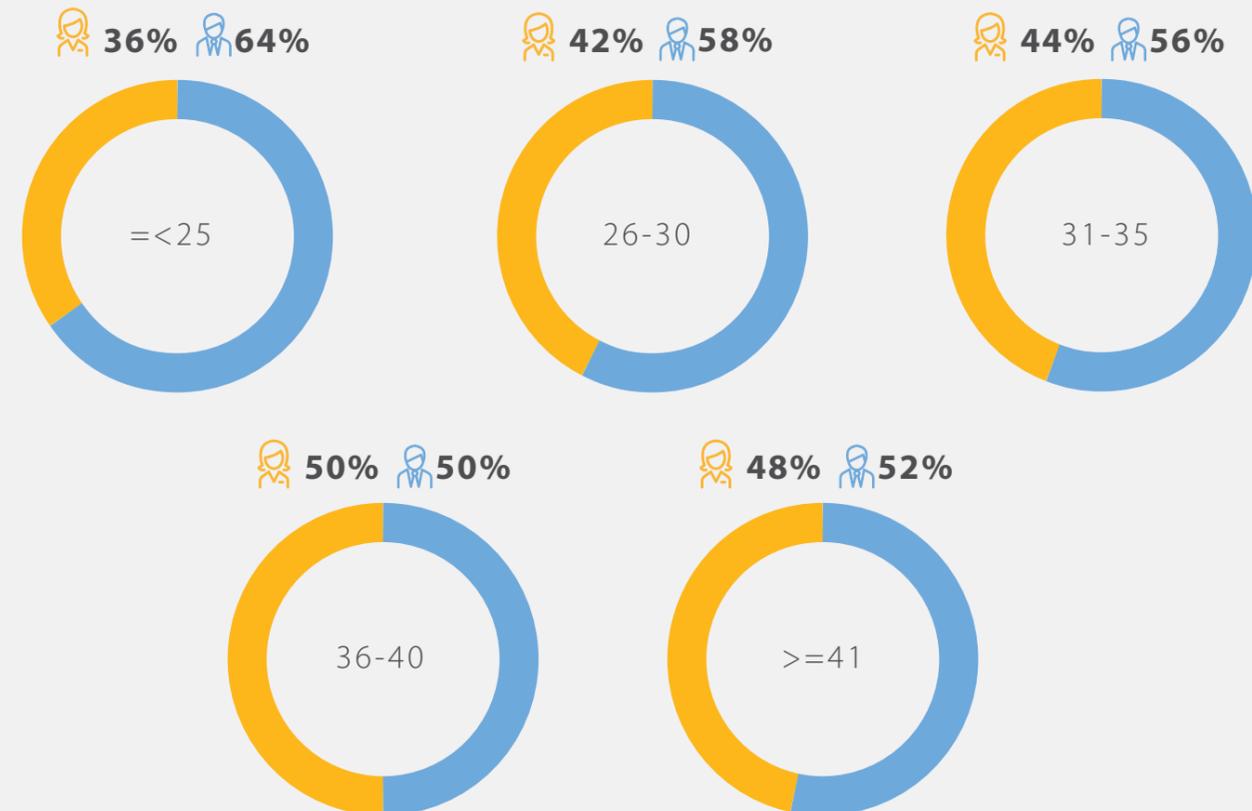
Total associates by age range

GRI 401-1

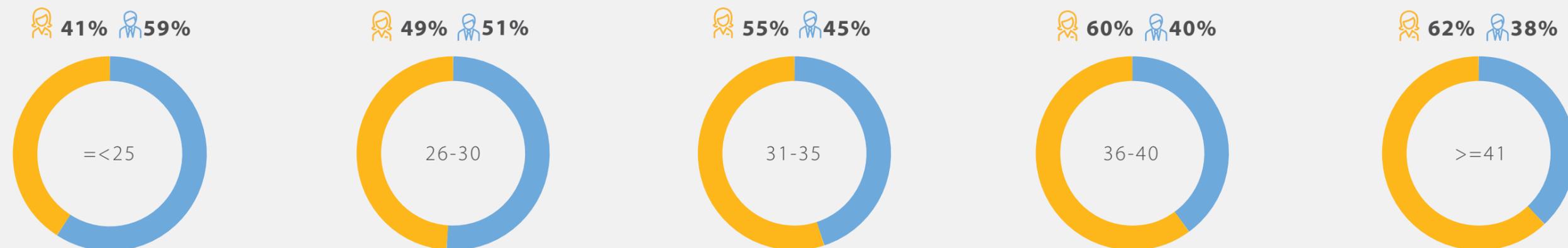
Mexico

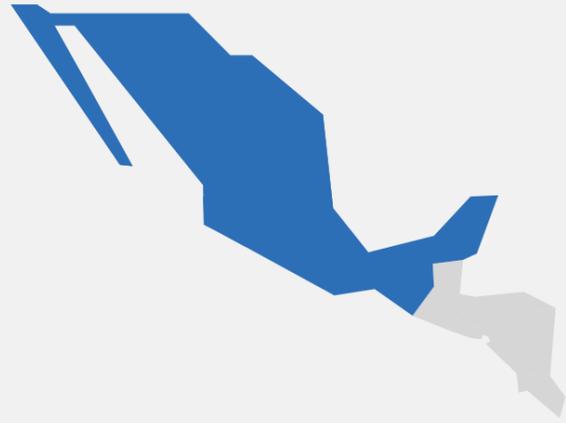


Central America



Total Mexico and Central America





Mexico

200,207

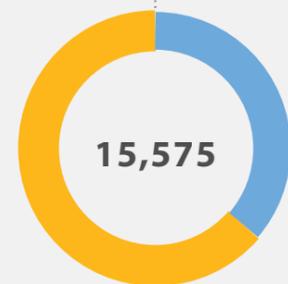
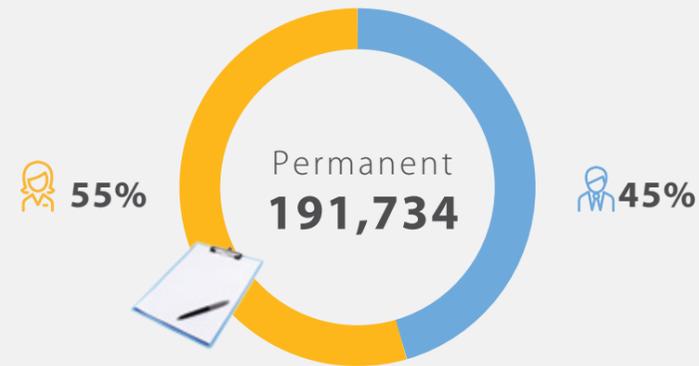
associates



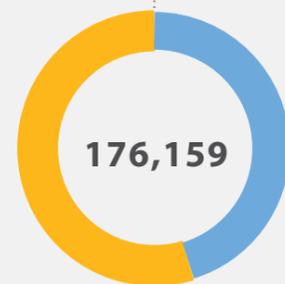
55% Women



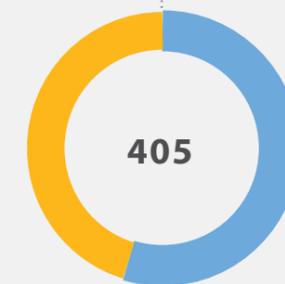
45% Men



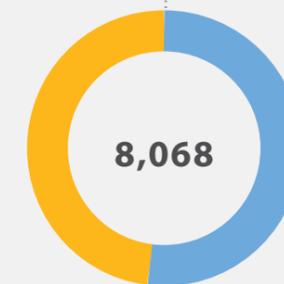
Part time
 61% | 39%



Full time
 54% | 46%



Part time
 46% | 54%



Full time
 48% | 52%



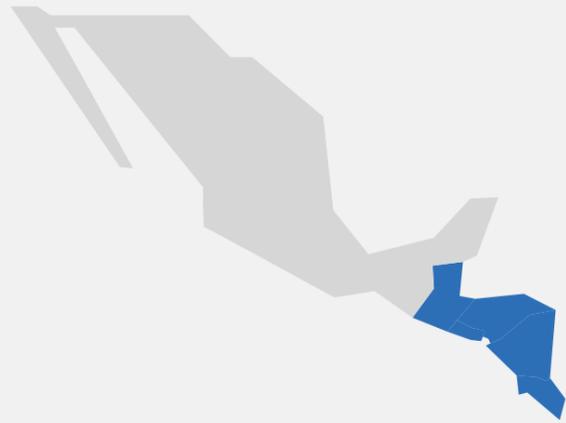
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Central America

38,765

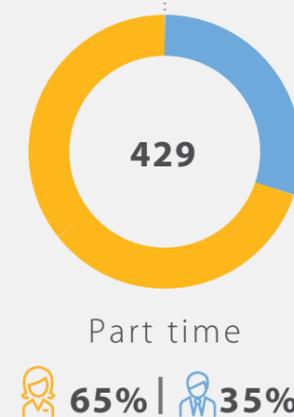
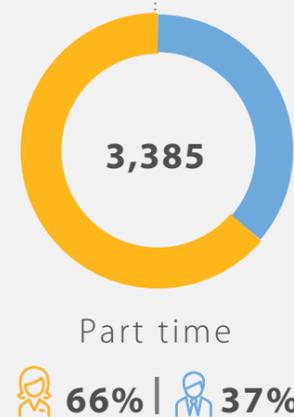
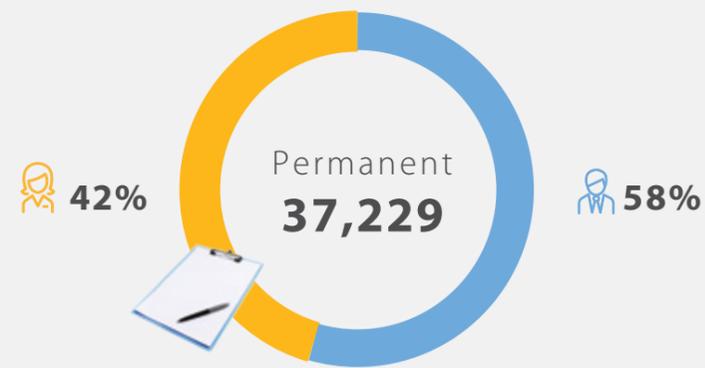
associates



 **42% Women**



 **58% Men**





	Mexico			Central America		
	Total	♀ %	♂ %	Total	♀ %	♂ %
New associates	148,705	51	49	10,625	43	57
<25	71,990	49	51	5,135	39	61
26-30	26,582	48	52	2,560	47	53
31-35	15,758	50	50	1,478	48	52
36-40	11,141	50	50	771	50	50
>41	23,234	60	40	681	47	53
Terminations	148,148	47	53	15,117	40	60
<25	65,898	39	61	4,999	38	62
26-30	29,302	46	54	4,145	39	61
31-35	16,698	42	58	2,645	40	60
36-40	11,580	48	42	1,572	45	55
>41	24,670	59	41	1,756	45	55

We develop our talent

GRI 404: 103-1, 103-2, 103-3, 404-1, 404-2



Walmart de México y Centroamérica offers a wide range of career opportunities. Our goal is to offer our associates the possibility to grow and be successful within the company. We have different training programs designed based on the detection of needs of each of our associates, to provide them with the necessary tools for their professional and personal development.

* **26,381 promotions**



* **43.6 millions**
of pesos in training

* **9.5 millions**
of hours in training

* **27.6 average hours**
of training per associate
GRI 401-1

Training hours per level

Level	Mexico		Central America	
	Man Hours	Hours per associate	Man Hours	Hours per associate
Management	51,359	52	11,929	103.60
Non-management	622,216	78		
Departmental/Line	7,918,122	48	485,164	122.28

Mexico

During 2019, training strategies were designed and developed with a focus on our cross-cutting programs, such as leadership, agility, and technical-functional:



Bakery: Identification of new processes and their role



Apps: Comprehensive training on different digital tools designed for associates to replace manual processes and queries, and to streamline the various activities they perform in stores and clubs



Onboarding for Managers: Comprehensive and approved training strategy for all formats, with training based on the main pillars: Operation, Compliance, Walmart Culture, and Leadership



Merchants Trainees, self service store Assistant Managers, Sam's: Talent Seedbed



Leadership: Development of skills, such as feedback, decision making, and associate management



Develop, Attract, and Retain (DAR): Onboarding for HR leaders and Maintenance leaders



Management Certification: Certify technical and soft skills of store managers

e-Commerce



Business Continuity Plan: Make associates aware of avoiding the interruption of key business activities in case of threats or crises

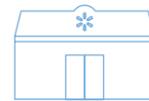


Customer Experience Management. Provide knowledge about new trends and best practices in customer service



Fundamentals of analysis for decision-making: Provide a set of tools to increase analytical skills with precision in informed decision-making

Stores opening training



New Units: Preparation of new store leaders through theoretical and practical training that allows them to have a significant learning experience to know and understand the operational and strategic aspects of their responsibilities, as well as the importance of their role



Talent center

The objective of the Talent Centers is to provide business units with a 100% practical training offer, in a real environment, that strengthens the skills required to increase productivity, service level, and retention indicators in critical positions, contributing to improve the purchasing experience of our customers. Currently we are teaching the Course of Cash Registers for new members of this area.



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Facilitators

The objective of this area is to design, implement, and follow up on learning experiences in order to develop high performance teams:



Instituto Walton de Cultura: Facilitation and coordination of courses to train executive level staff and operations associates



Program design and implementation of "Mi Rol como Facilitador" program that aims to empower and make aware the the team of facilitating associates. The team is responsible for strategic programs regarding the importance of the facilitator's role, as well as the validation of basic skills



Multiformat Operations Orientation: New project that seeks to standardize operations orientation to provide new associates with the elements of our organizational culture



Self-service operations academy and Sam's club



Flex POS: Training for cashiers to learn the use of the new cash register system to collect merchandise and receive service payments from customers. The new system will improve service and productivity in the cashier line and enhance our customers' experience



Retail Ready Packaging: Increase productivity in the logistics chain and store layout



Private Brands: Encourage members to feel a sense of belonging and enhance their role as ambassadors of our private brands

Staff



Leadership: Leader development by living the competences and behaviors of the organization



Mi año Walmart: Learning model that gives the associate knowledge of benefits and compensation within the company



Associate Management: training focused on team management



UDEMY: To offer our associates an on-demand content library with more than 3,500 courses



Agile Training: Generate learning experiences that provide our associates with the knowledge, concepts, and terminology of Agility WoW, based on transformation and focused on 3 types of audience (Tribes, TLAS, and To be Transform)



Learning center

We have three Learning Centers for leaders training, through an educational offer that allows associates to gain the required competencies (knowledge, skills, and attitudes) that ensure fulfillment of business priorities, execution of their functions, and quality and leadership standards

The training programs implemented are:



Self service store Operations Trainees: Multi-format seedbed program for future Assistant Managers. This program allows the development of soft skills such as analysis, decision-making, problem-solving, leadership



Replenishment Trainees: Operational training that allows associates to have the knowledge and understanding of the business and the impact on sales derived from decision-making



Onboarding for self service store managers, assistant Managers, and directors. Direct in-store training and Shadow Training with Assistant Managers and Directors



Asset Protection: Training for Assistant Managers that includes the required activities and supervision points, to detect operative and administrative red flags to prevent and control any situation that lead to a loss in assets, cash, or merchandise, as well as to generate a safe atmosphere for customers, associates, and suppliers

Central America

Operations Academy



Seeks the development of our store associates, through the Agreement with Universidad Galileo in Guatemala, we offer financing mechanisms and discounts for associates



Remodeling School: training for distric managers, store managers, and Administrators, along with associates from Real Estate, Finance, and Human Resources



“DAR soy Nuevo Asociado”: Self-taught methodology in different topics such as optimization of merchandise flow in stores, stock improvement in the sales floor, and inventory visibility in the back room

Central OPS Academy



It provides associates with knowledge to improve their performance and generating an impact on business strategy with courses such as: Effective Presentations, Design Thinking, 4 Pillars of Leadership, Communication, and Influence, Finance for Non-Financials, and Project Management



Commercial Academy



Workshop of Supply Cells and Optimal Catalogue: Align Replenishment and Commercial areas according to concepts and procedures that generate leverage and collaborative work promoting more efficient processes



Pharmacy School: With topics such as customer service and sales, Patient Plan, Private brands, and Operations, which leads us to improve the customer’s shopping experience

Staff Academy



Passport to my Development Program: It was designed to have the associate at the center of the activity. Several focus groups and lateral thinking sessions were held in conjunction with HRBP for its design



In Finance, three key trainings were conducted with a focus on: society, business, and people



Logistics Academy



Safety School for Distribution Centers: Virtual Reality Program, achieving a 20% decrease in accidents at DCs



Supply Chain of the Future (SCOTF): Designed based on the associates' needs, including technical issues such as Analytical Data, Lean Concepts, Effective Team Communication, among others

Dialogue with **associates**

We believe that the growth of a successful company requires the active participation of its people. Our associates complete an engagement survey every year so they can speak up their opinions on what we need to improve, about their leaders, how the Walmart Culture is honored, and the main issues that build up the working experience. An external supplier manages the survey, and is responsible to collect and process the individual responses. The responses are treated confidentially and the results are reported on a group level.

In 2019, we reached 76% of participation in the entire region.

All areas of the company have a feedback meeting after the evaluation is complete. This process allows us to have an open and constructive dialogue, to achieve better working environments and detect areas of opportunity. The results of these sessions are included in action plans.

We will continue working to promote an authentic culture of leadership and open communication that improves the work experience of those who are part of the company.

Equal pay

GRI 202-1, 405-2

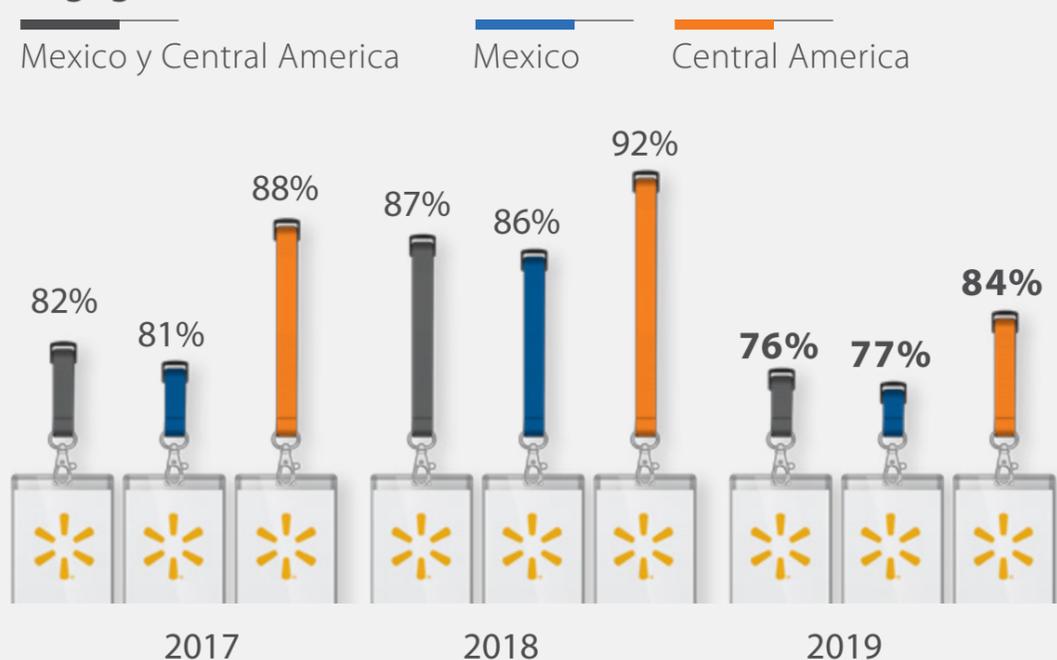
There is no salary difference on the grounds of gender, age, religion, sex preference or political ideology. We have a pay band; differences are based on the associate individual performance. Associates are evaluated every year based on seniority and adherence to successful behaviors under the Policy of a workplace free of violence, discrimination and harassment. The company complies with and exceeds the minimum wage established by the authorities.

Freedom of association

GRI 102-41, 407: 103-1, 103-2, 103-3, 407-1

In Mexico, we comply with the Federal Labor Law. We started a new regime of collective hiring, in order to improve the value proposition of our associates, who will have the option to choose the union organization to which they wish to belong. Hence 65% of our associates are represented by an union or covered by collective agreements, those are 100% of the eligible associates according to the law.

Engagement Rate





Life-work balance

GRI 201-3, 403: 103-1, 103-2, 103-3

We are committed to our associates' wellbeing; consequently, we look for innovation by implementing initiatives that help us create a healthy, collaborative, and flexible work environment.

* **376 medical offices**
in stores nationwide at no cost to associates

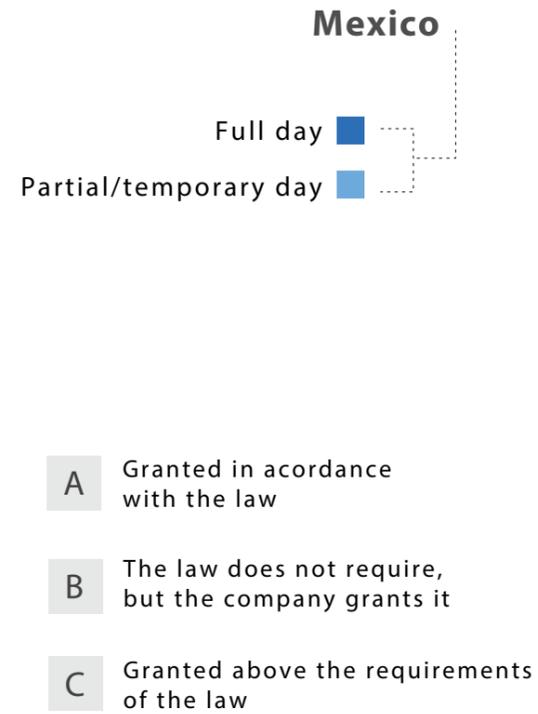
* **6 medical offices**
in corporate offices

* **574 agreements**
on education, health, and leisure for the benefit of associates and their families

* **4,762 associates**
tended to in nutrition
GRI 403-6

Benefits for our associates

GRI 401-2



Benefit	Mexico (Full day)	Mexico (Partial/temporary day)	Central America (Full day)	Central America (Partial/temporary day)
Executive vacations		C	A	
Non-Executive vacations	A	A	A	A
Days off (holidays)	C	C	A	A
Personal days	B	B	C	B
Special permission	B	B		C
Meal subsidy			B	B
Food coupons		B	B	
Shopping discounts	B	B	B	B
Company car for executives**	B	B	B	
Medical check-up for executives		B	B	
Life insurance		B	B	
Social security expense	A	A	B	
Major medical expense insurance		B	B	
Sick leave grant		B	B	B
Seniority recognition	B	B	B	B
Maternity leave	C	C	C	A
Paternity leave	C	C	B	B
Pension fund			A	A
Christmas bonus	C	C		
Vacation premium	A	A		
Sunday bonus (if applicable)	A	A		
Seniority bonus	A	A		
Profit sharing	A	A		
Nursing period	C	C		
Productivity bonus	B	B		
Stock-option plan*		B		



* For management only
 ** From divisional manager and up

Program Integral Assistance



We make available to our associates and their families a free, optional, and confidential line to address personal questions or concerns related to issues such as:



Psychological counseling

Personal problems
Depression
Stress



Financial counseling

Loans
Credit bureau
Savings



Legal counseling

Law
Regulations
Rights and obligations



Associates can make use of the service from any part of Mexico, 24 hours a day, via phone call, e-mail, and online.

Work Flexibility

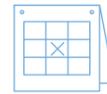
GRI 401-3



Maternity and paternity leave. Providing the following periods of disability that will benefit the associates who are in this stage of their life:

Maternity: 5 months

Paternity: 2 weeks



The Flexible Workweek Program for staff associates consists of freeing up Friday afternoon work hours by allocating them from Monday to Thursday, to have “short Fridays”



Remote work. It consists of the associates working remotely one day a week, respecting and complying with their usual work schedule. Among the main benefits are the increase in productivity, maximization of focus on results, and favoring our associates' life balance



For our operations associates, we have fixed shifts for breastfeeding, schedules for students, transfers for quality of life, fixed shifts for single mothers or fathers, quarterly rest, as well as monthly weekend off for store managers and assistant managers



Postnatal leave for parents. It allows women to gradually integrate into working life after having their child up to six months of age. For male associates, we have a six-hour flexible schedule during one month



+28,400 associates

transferred to stores closer to their homes

GRI 203-2



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Diversity and inclusion

GRI 405: 103-1, 103-2, 103-3, 405-1, 406: 103-1, 103-2, 103-3



We guarantee an environment based on respect where customers, associates, suppliers, and partners feel free to be themselves; valuing and empowering ideas and opinions, experiences, and identities to develop their full potential.

✦ **53%**
of our workforce are women

✦ **2,323 associates**
with a disability, 151% more vs 2018
GRI 405-1

Diversity and Inclusion Policies

Our policies clearly state that discrimination and/or harassment is strictly forbidden, regardless of the situation of the individual, including ethnic origin or nationality; skin color; culture; gender and/or sexual identity; age; disabilities; social, economic, health, or legal situations; religion; physical appearance; genetic characteristics; migratory status; pregnancy; language; opinions; sexual preferences; political identity or affiliations; marital status; family conditions and/or responsibilities; criminal background; or any other reason that may hinder or annul recognition or enjoyment of rights and equal opportunities.

Advisory Councils on Diversity and Inclusion

There are two Advisory Councils on Diversity and Inclusion –one in Mexico and the other in Central America- having high level team leaders who are in charge of promoting programs and initiatives that enable the identification, development and retention of diverse talent so as to encourage participation at all levels of the organization and to generate an inclusive work environment.

Objectives of the members of the Advisory Council:

-  Promoting equality between men and women
-  Directing, monitoring, and communicating efforts
-  Overseeing the existence of policies, procedures, and activities
-  Serving as a surveillance body
-  Ensuring the proper gender balance among management
-  Sponsoring inclusion programs for different groups
-  Ensuring efforts to strengthen a culture of diversity and inclusion

In Central America, an Unconscious Bias Workshop was held with the Executive Committee, Directors, Deputy Directors, and Managers. In this space, 44 leaders had the opportunity to conduct an assessment in order to know how much openness they have to diversity management based on four elements catalogued as essential to sustain effective interpersonal relationships: understanding and empathy, trust and simplicity, respect, and positive intention.

In order to continue with the empowerment of Human Resources Advisors, the “Sin Barreras Kit” was launched, where they have access to didactic guides, stories, case analyses, manuals and communication elements to manage inclusion in their work units. 140 associates from the Human Resources area participated in this launch.



We want to reiterate to our leaders and associates that, although it is important to achieve the company’s objectives, at Walmart Mexico and Central America we always meet the goals based base through a basis of respect.

Leading with Respect

It is important to remind our leaders and associates that the best way to achieve the objectives is to care for and value their teams, keeping in mind that respect for the individual is essential to achieve our goals. For this reason, the Leading with Respect campaign was born, which seeks to give the necessary importance not only to the what, but also to the how; recognizing the associates in three different ways for their achievements:



Recognize associates consistently, using physical or digital cards and verbal gratification



To be grateful every day to the associates and for a well-done job. At this point, you want to make sure that not a day goes by without thanking a colleague



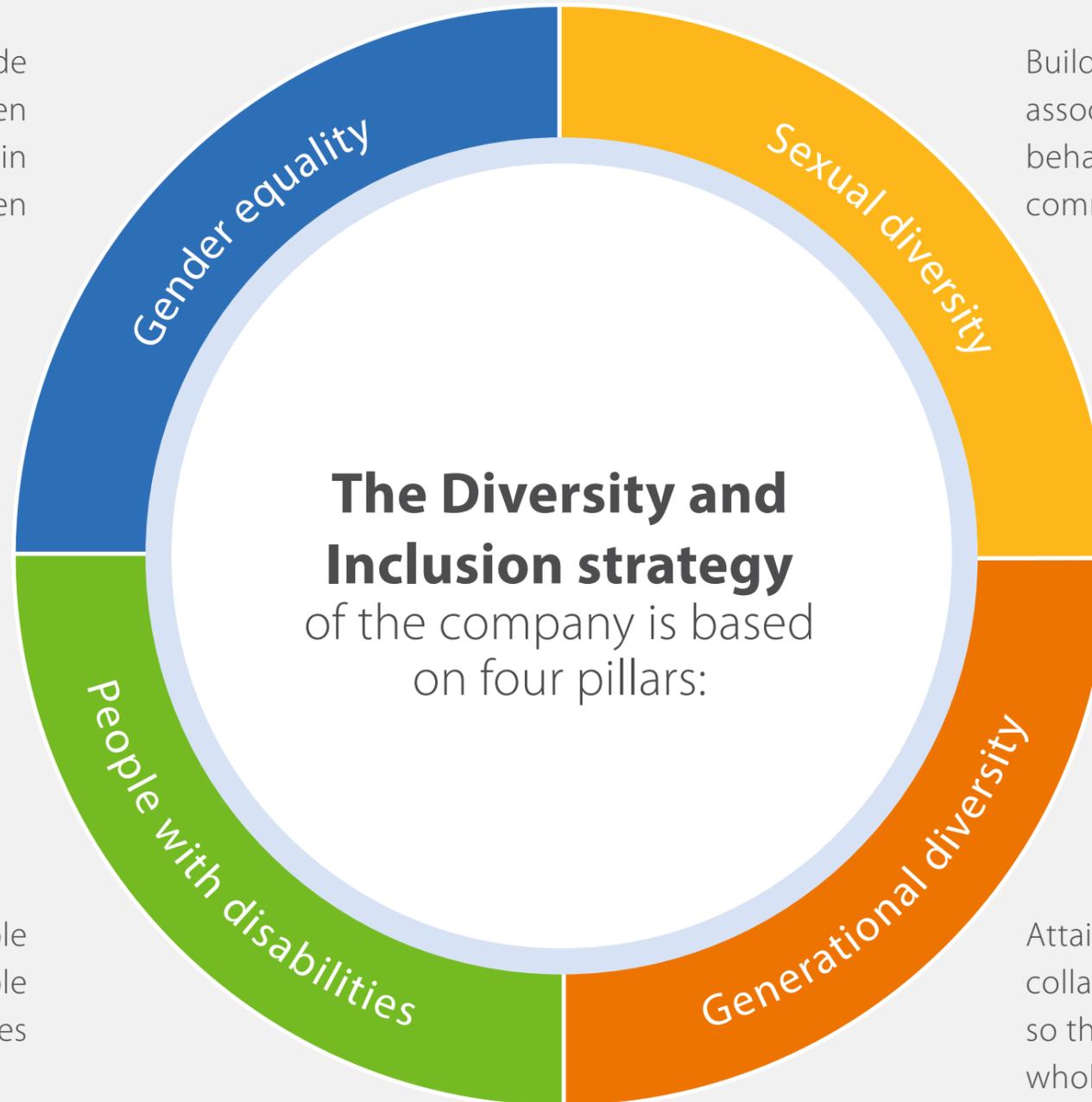
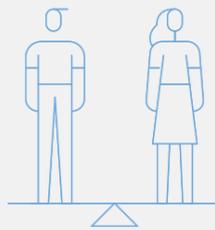
Make use of the programs that the company has, as a tool for recognition

Discrimination and sexual harassment

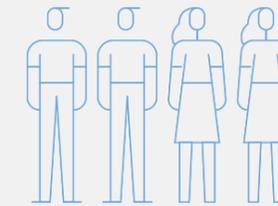
In the Ethics’ Statement we have regulated the prohibition of any type of harassment within the company. In this regard, and given that the issue of sexual harassment is so relevant to Walmart, in 2019 a new ethics training exclusively for the prevention of sexual harassment was added to the program for all Officers globally, in order to train senior leaders on the relevance of the issue and how to detect, mitigate, and prevent related situations within their work teams.



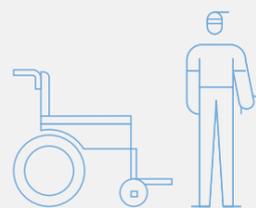
Create conditions and provide tools to increase executive women percentage and retain non-executive women



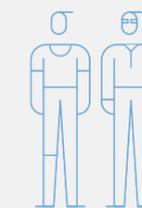
Build the foundations so that our associates can show inclusive behaviors with the LGBT+ community

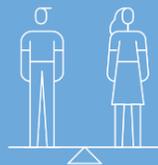


Enable and generate reasonable adjustments to include people with disabilities



Attain a better understanding and collaboration among generations so that they can develop their whole potential





Gender Equality



Men and Women

Working on gender equality is one of the company's priorities. We focus on strengthening processes in order to minimize gaps and position the Walmart Culture.



36% women

on executive positions



49% of the promotions

were for women

GRI 405-1



Development of Female Talent Women in Retail

It is a development program with a duration of one and a half years for our female associates. Its purpose is to develop and retain the best talent, having well prepared and committed associates, with a sense of belonging. It is based on four main areas of development: Experience, Exposure, Education, and Mentoring, with the aim of strengthening skills and competencies and increasing their leadership and networking. Currently, we have the 4th generation in progress. In Central America, this program reached a coverage of 37 women throughout the five countries simultaneously, being effectively implemented by concentrating in two weeks. The result of this preparation is the addition to their technical skills, of a complementary set of leadership skills that projects the associates as more integral professionals when knowing about empowerment, self-awareness, adaptability, change management, communication, high performance teams, accountability, information analysis, among other skills that manage to place them in a position that points to their growth.

Female Executives and Trust Circles

Its purpose it to develop subjects such as personal leadership and self-management; talent management, change management, strategic thinking, leading transformation, persuasion, empowerment, and influence, among others.

Bloomberg Index for Gender Equality

Only company in the self-service sector included worldwide. For a third time, we were included in the Bloomberg Gender-Equality Index, a reference index created by Bloomberg that measures gender equality and recognizes companies after their disclosure and commitment to gender equality through internal policies and statistics, as well as participation and support from companies to communities. Our results were above average in the Index, regarding subjects such as workforce composition, female executive positions and the number of women members of the Board of Directors.



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Sexual Diversity

“2019 HRC Equidad MX” certification

The Human Rights Campaign Foundation (HRC) certified us for the third consecutive year as one of the companies that promotes diversity and LGBT+ inclusion in their workplaces.

LGBT+ Pride March

For the third consecutive year in Mexico City and Costa Rica, and for the first time in Monterrey, Guadalajara, and Mérida, we participated in the Pride March. Vice Presidents accompanied with associates and their families during the march.



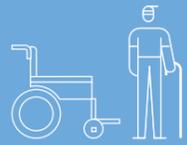
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Labor inclusion for people with disabilities



At Walmart de México y Centroamérica we have worked in recent years on the implementation of programs for the inclusion of people with disabilities. Currently, 2,325 associates are working in stores, clubs, Distribution Centers, and office buildings with motor, hearing, visual, and intellectual disabilities.

We have trained and communicated about disability through different means: in person and online trainings, videos and manuals for the attention of associates, customers, and suppliers with disability.

We have remodeled and opened inclusive stores for people with disabilities. For example, Walmart Punto Guadiana in Durango, is the most accessible store in Mexico, because of the new facilities it offers to associates, customers, members, and suppliers. This store has universal design features in interior and exterior access, accessible furniture, help buttons and tactile guides, which increase accessibility for pregnant women, senior citizens, people who use wheelchairs, canes, crutches, or those who temporarily have reduced mobility due to injury.

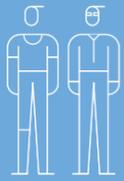
Éntrale 2019 Award

Thanks to our policies, practices, and programs in favor of labor inclusion, in addition to our commitment to creating inclusive environments. We recently received the “Éntrale 2019” award, during the forum with the same name.

This recognition is only given to 1% of the allied 450 companies and 50 Non-Governmental Organizations (NGOs), which, like Walmart, have demonstrated their commitment to the inclusion of people with disabilities.

The criteria taken into account were: Culture, Adaptations and Safety, Business Practices, Talent Attraction, and Retention Processes, as well as people with disabilities in the workplace.





Generational Diversity

We promote the integration of different generations in favor of labor inclusion. We currently have 45% Millennial, 25% generation X, 30% and Baby Boomer. We also encourage knowledge sharing between generations by implementing programs such as Reverse Mentoring where our Millennial generation associates empowered Executive Committee members in digital apps use and social networking skills.



Certification on Labor Equality and Anti-Discrimination Golden Certificate

Walmart de México y Centroamérica received re-certification of the Mexican Standard for Labor Equality and Non-Discrimination. The certification was granted because our policies and practices comply with the requirements of labor equality, non-discrimination, and inclusion defined by the Ministry of Labor and Social Welfare, the National Institute of Women, and the National Council for the Prevention of Discrimination, who promote and support the Standard.

We are the only certified retailer in Mexico.

To obtain it, the main points that it evaluates are:

-  Recruitment and selection processes with equal opportunities
-  Implement actions and have mechanisms to address, prevent, and punish situations of violence or discrimination
-  Carry out actions of co-responsibility between the work, family and personal life of its workers so that they can develop their full potential
-  Accessibility in physical spaces for people with disabilities
-  Flexibility in working hours
-  Breastfeeding rooms
-  Mechanisms to attract and retain talent
-  Ensure equal pay GRI 202-1, 405-2
-  Promote a work climate without discrimination
-  Use of inclusive, non-sexist, and accessible language
-  Training in equality and non-discrimination