



THE PURPOSE:

to help
people to
live better

AT WALMART DE MÉXICO Y CENTROAMÉRICA WE
WORK EVERYDAY WITH THE PURPOSE OF
HELPING PEOPLE SAVE MONEY AND LIVE BETTER

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

GRI 102-14

2020 was a year, unlike any other, that tested our capacity for resilience and innovation. We are honored to bear witness to the response given by our great Walmart family in Mexico and Central America, in light of the crisis caused by the pandemic. Their efforts and empathy were fundamental to get ahead more strengthened than ever.



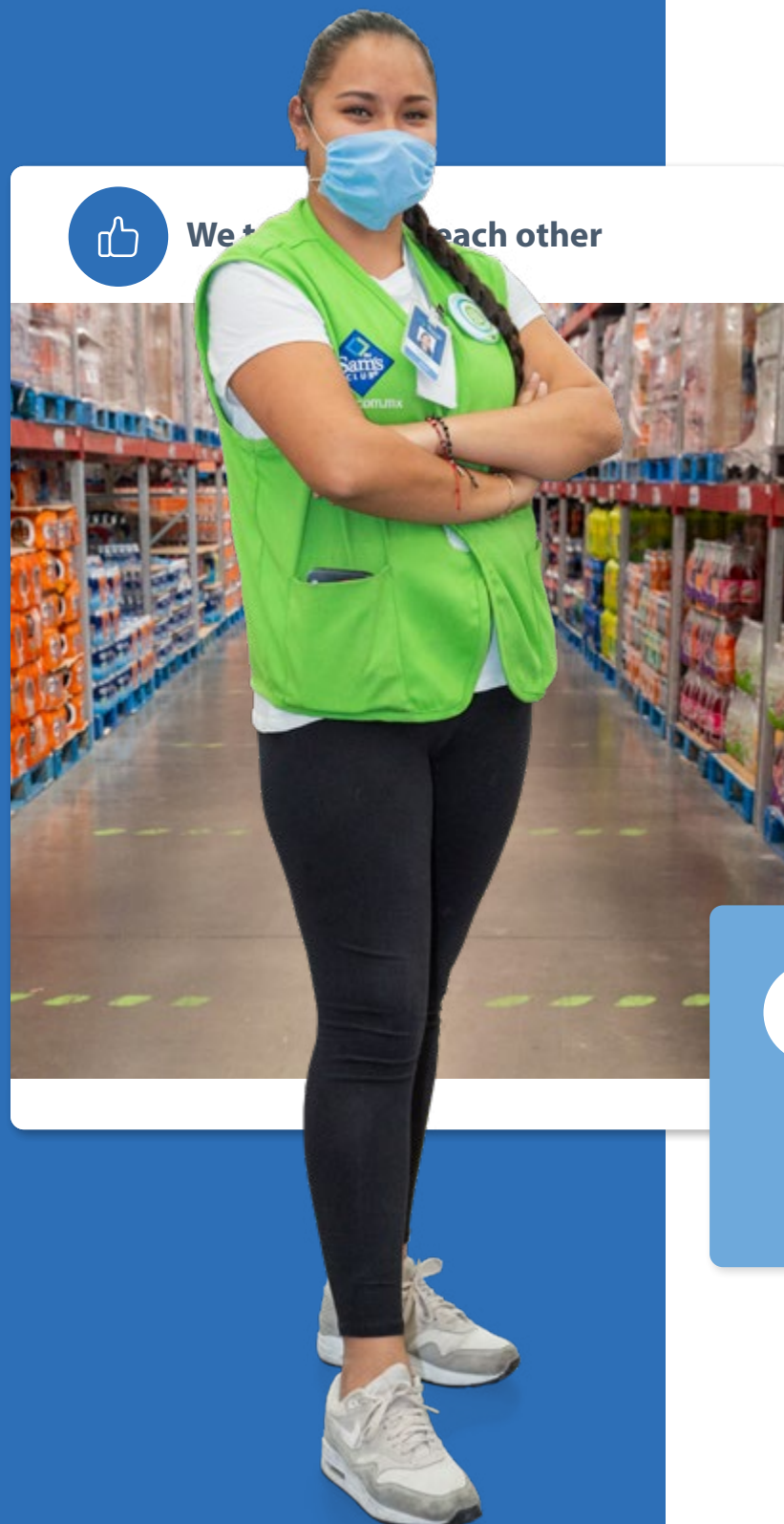
Enrique Ostalé

President of the Board of Directors
Walmart de México y Centroamérica



Guilherme Loureiro

President and Chief Executive Officer
Walmart de México y Centroamérica



For our company, the responsibility of maintaining an essential business in operation during a health crisis like none other, has allowed us to learn from the process, reinforce our principles, and be clear about our strategy. Based on this, we defined five priorities that guided our decisions throughout the year.

We are very proud of their efforts; [thanks to their work and dedication, today more than ever we continue delivering our purpose of helping people to live better](#). In addition to serving our customers, they managed the business effectively and we were able to progress in the implementation of our strategy. In addition to the necessary protection equipment to do their jobs, those associates considered vulnerable were granted permission for paid leave of absence; two extraordinary bonuses were given to all store, club, and DC associates; we changed the payment frequency of their salary from biweekly to weekly; and we set up a medical line to assist in the health and wellness of our associates and their families.

1 Our first priority was to support all the associates working daily in our stores, clubs, and DCs



Thanks to the work of our associates, we accomplished our second priority, which was to serve our customers by providing access to essential goods, in addition to committing to their health by following the recommendations made by authorities for entering our stores and clubs; installing acrylic shields at the registers; designating safe distancing in high traffic areas; and setting aside areas for delivery and pickup for vulnerable customers. [We worked closely with our suppliers and partners, guaranteeing in-stock in our stores and clubs at the lowest prices possible.](#) In conjunction with the Mexico City government, we created a basket with over 300 items at the lowest prices on the market and which we called Los Esenciales (Essentials), thus honoring our philosophy of Every Day Low Prices.

Our supply chain remained in operation non-stop. We reinforced our omnichannel infrastructure in logistics and technology so our customers would have their products in their homes, how they wanted to receive it, at the lowest possible price. We are very proud to know that our customers appreciated this effort, rewarding us with their loyalty.

2

Our second priority was to serve our customers by providing access to essential products, keeping them safe



**3**

As our third priority, we focused on helping each other, including the communities we serve and our suppliers

Because of the health crisis, we donated 130 million pesos to finance the COVID-19 temporary unit, which provides medical attention to health sector patients in Mexico City. We also donated over 250 tons of food for more than 22,800 senior-citizen packers.

The complications of the pandemic also affected our small farmers, and therefore we decided to provide support by reducing payment terms to seven days and extending our factoring program at competitive rates. We waived rent payments for our small tenants and we worked with them in employing their personnel during demand peaks.

4

Our fourth priority was to manage the short term effectively, financially and operationally

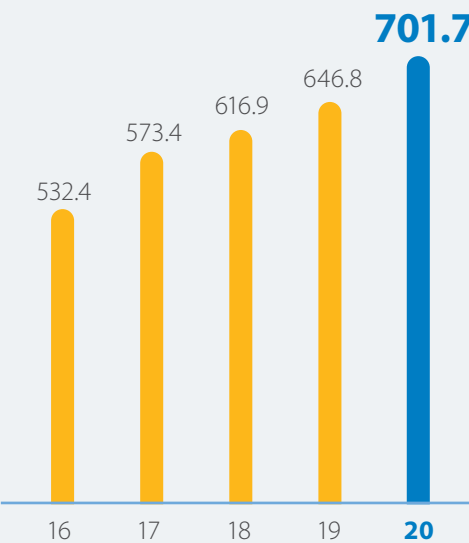
We always balance the short and long terms in our investments; the resources invested in our omnichannel business enabled us to immediately provide an essential service to our customers throughout the crisis, while building long-term capabilities and infrastructure, and continuing to create value for our different stakeholders.

Our performance has been consistent; our same-store sales growth continued to be our main growth driver. In addition, we managed to accelerate the contribution of eCommerce to total sales growth. [At a consolidated level, excluding one-time effects, our results were positive.](#) Revenue amounted to 701.7 billion pesos, an 8.5% increase over last year. SG&A grew 9.3%, representing 14.7% of total revenue, quite similar to 2019 levels, thanks to our operating discipline and in spite of high expenses incurred due to the pandemic. Operating income grew 9.7%. EBITDA totaled 77.2 billion pesos, a margin of 11.0%, remaining in double digits like in 2019.

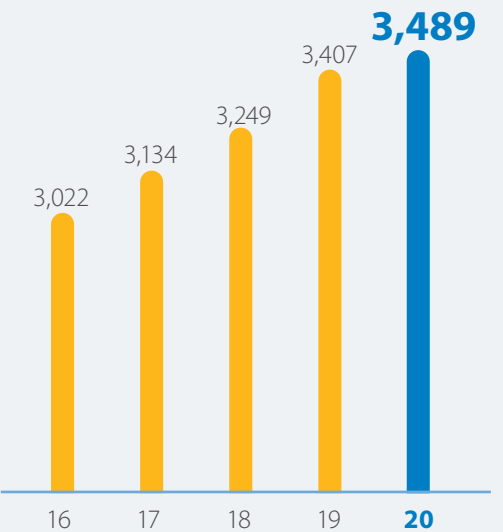
* To improve visibility of our business performance, we are including a retroactive estimate of the effect that the implementation of IFRS 16 would have had on 2018 financial results. These pro-forma figures are not audited, but are based on audited results reported in 2018 and were adjusted with our best estimates to show the effects related to the adoption of IFRS 16. It is important to point out that all references to the previous year's results are based on pro-forma figures for 2018.



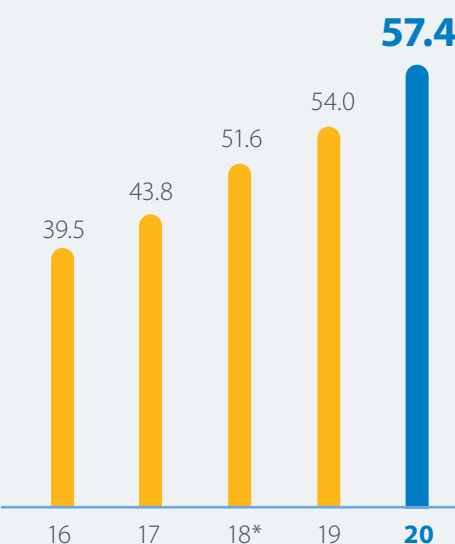
Total Revenue
MXN Billions



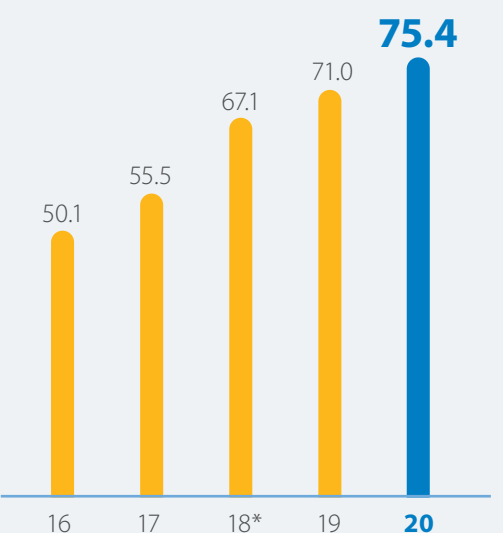
Total units



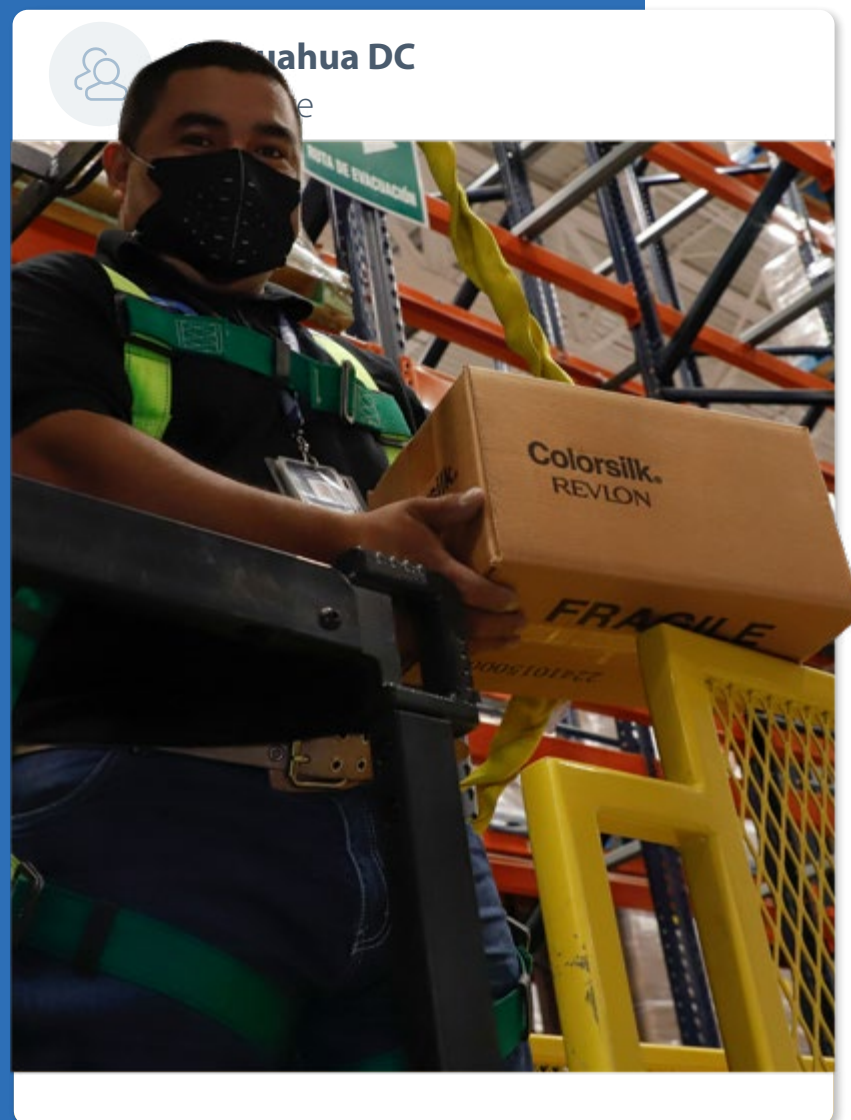
Operating income
MXN Billions



EBITDA
MXN Billions



5 The fifth priority was to drive our strategy, even amid times of crisis



Our results allowed us to have the resources for innovation and investment. [Therefore we did not delay our growth and we invested in technology and infrastructure, enabling us to continue building the future](#) because we believe in the long term potential of the region.

Once restrictions for construction were lifted by the authorities, we resumed our growth plan for new stores at an even faster pace. This effort to maintain our strategy, allowed for a 1.5% contribution to total sales by the new stores.

We expanded our logistics network with an eCommerce Fulfillment Center in Estado de Mexico, and we opened two new omnichannel DCs, one in the city of Merida, and another one in Chihuahua, permitting us to broaden our coverage nationwide, supplying more units of all our formats. Moreover, we laid the first stone of the Villahermosa and Mexicali DCs, to continue developing our logistics strength.

We launched the Bodega websites for both our extended catalog and for Despensa a tu casa (Grocery Home Shopping), as well as enabling the On Demand service in 101 Bodega stores and 164 Sam's Club units that had not been planned for that year. Thanks to the progress achieved, we were able to rapidly and efficiently serve thousands of families in communities that benefited from our presence so they could remain safe without leaving home. Maintaining the strategic approach for expansion and omnichannel capabilities.

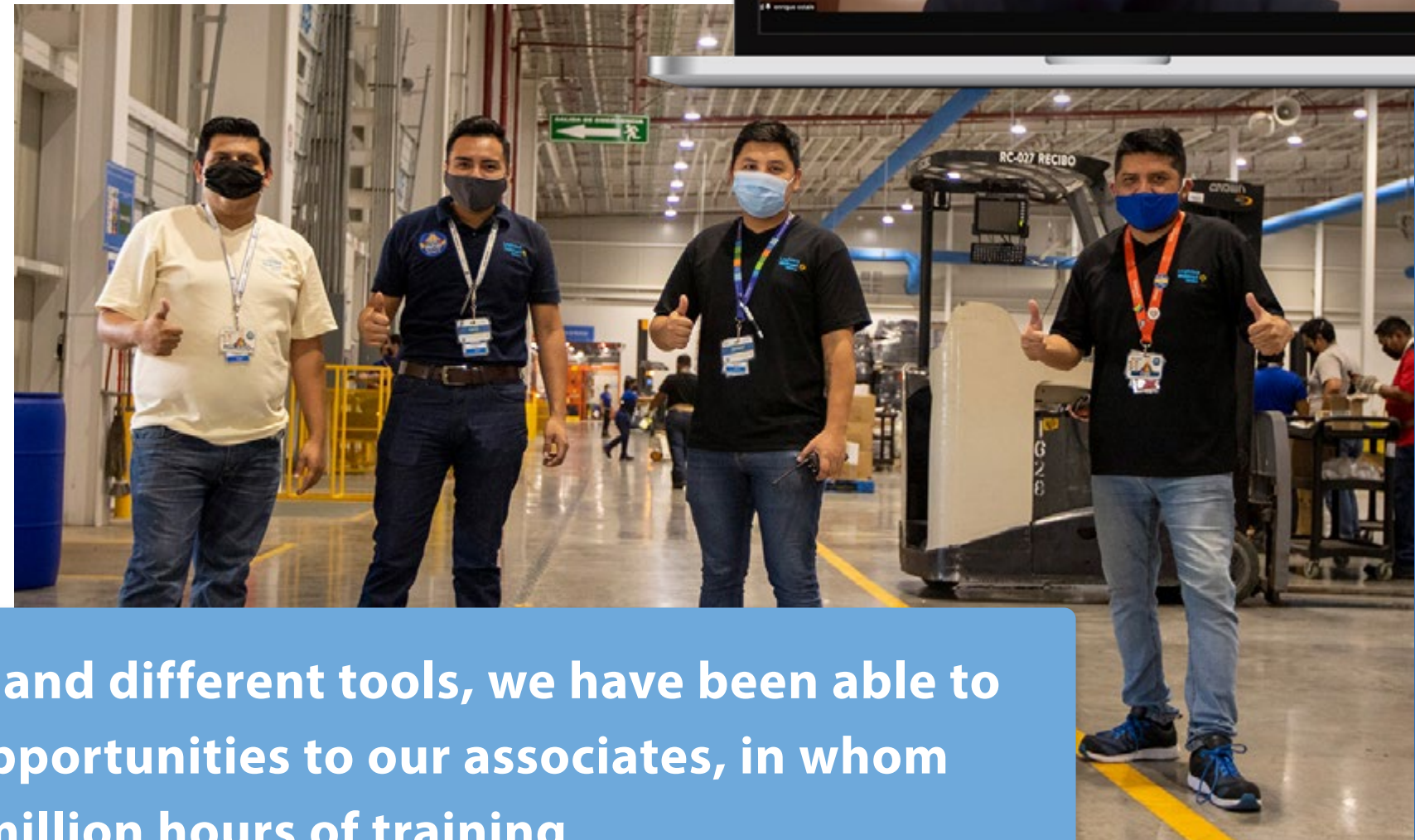
In Central America we opened 19 stores throughout the region, representing an additional 17,538 m2 of sales floor. We developed and launched an online shopping platform, with which we enabled 200 stores to cover 60% of the territory with the presence of our Bodega, Supermarket, and Walmart formats in five countries, offering home delivery and pickup services. Also, we implemented the first store with a self-checkout system in the region, that is, Walmart Heredia Este, where our customers can enjoy a renewed shopping experience.

The year 2020 was also a year of innovation. We continue to work focused on our customers and on enhancing their experience. We welcomed Walmart Express, a format with efficient assortment, low prices, and a more robust omnichannel value proposition. Our prepaid mobile phone service was launched in Mexico, called BAIT, (Bodega Aurrera Internet and Telephone) which offers an affordable and inclusive mobile connectivity service in support of Mexican families.

At Walmart de México y Centroamérica, each year we challenge ourselves to take better decisions and to [create Shared Value for our stakeholders](#). We firmly believe that as a successful company we go a step beyond; our long-term objective is to improve the systems on which we rely, such as developing the labor force or supply chains. This is not only to generate the trust of our customers, but also to improve supply security, product and service quality, efficient cost and expense management, generate new sources of revenue, and attract and retain the best talent. In reinforcing these systems, we move forward towards being a responsible company while also maximizing the value of our business.

We continue working each day to improve our [Associate Value Proposition](#), which we call PRODI, an acronym that describes the five promises encompassed, and which represents all the benefits of working in Walmart. We have evolved the way in which training takes place, by changing our offering from live to digital.

We have made considerable progress in our Diversity and Inclusion strategy, through which we promote equality among our associates, offering them safe workplaces, respecting them, and accompanying them along their path to development in the company. We were given recognition as an inclusive company with the *Éntrale* award, and Human Rights Campaign certified us for the fourth consecutive year as a company that promotes diversity and LGBT+ community inclusion in the workplace.



Thanks to technology and different tools, we have been able to offer great learning opportunities to our associates, in whom we have invested 7.6 million hours of training



Currently, 80% of our stores in Mexico are supplied with renewable energy and we reduced our emissions by 2.8%, as compared to last year

This year we focused on the here and now, without overlooking our responsibility to sustainability, our communities, and the planet. Stemming from the urgent need to act in light of the climate change crisis, [this year we assumed the commitment of becoming a regenerative company by 2040.](#)

Also, in Mexico, we achieved that 75% of our waste was no longer sent to landfills and we installed 12 permanent recycling centers as part of our Reciclamanía Evolucionaria initiative.

We are moving towards being a Net-zero emissions company, placing environmental protection and restoration at the center, understanding its importance for ecosystems and biodiversity. We are convinced our role is key to achieving a sustainable future.

Throughout the years we have continued proving we are a resilient company, capable of innovating, executing, and delivering results. We have laid the foundations for a solid company that is ready for the future.

Thank you for your interest in our company.

Enrique Ostalé

President of the Board of Directors
Walmart de México y Centroamérica

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Economic and Financial ¹

701.7 billion

revenue +8.5% Gr.*

10.7%

EBITDA margin +6.2% Gr.*

64.8 billion

cash generation +1.62% Gr.*

16.7 billion

invested in high return projects



Download all
our 2020
figures here



Omnichannel ²

171%

eCommerce sales growth

164%

GMV growth

586

stores
offering On Demand (same-day delivery)

1,349

pickup locations



Social

41,186

suppliers in the region

93%

of goods sold in Mexico
are purchased in the country

88%

of goods sold in Central
America are purchased in the region

1,770 million

pesos channeled through social
impact programs ¹



Environment

71.5%

progress in our zero waste goal ¹

3,443

products with improvements
to reduce their environmental impact ²

80%

of our stores are supplied with
renewable energy ²

63%

of energy consumption
is supplied from renewable sources ¹



Corporate Governance

-15%

associates
accidents in Mexico

-22%

associates
accidents in Central America

+116,000

training hours
on our Statement of Ethics ¹

50%

board members are independent

OUR HISTORY

Running our business for more than 60 years, has taught us how to achieve results, even in challenging situations.

1959

Superama starts operations



1977

Cifra starts trading on the Mexican Stock Exchange



1993

Walmart Supercenter starts operations



1964

Vips Restaurants start operations

1970

Bodega Aurrera & Suburbia start operations

1991

Joint venture between Cifra and Wal-Mart Stores, Inc.
First Sam's Club in Mexico

1997

Wal-Mart Stores, Inc. acquires majority position in Cifra – Tender offer on the MSE

1999

Introduction of Every Day Low Prices

2003

Walmart de México Foundation created

1958



Aurrera starts operations

2020



2014

Walmart de México y Centroamérica sells its restaurant division to Alsea

2015

Walmart de México y Centroamérica sells its bank to Inbursa



2017

Walmart de México y Centroamérica sells Suburbia to Liverpool

2013

Walmart.com.mx launches General Merchandise

2011

First Walmart Supercenter in Centroamérica (Honduras)



2010

Walmart de México acquires 100% of Walmart Centroamérica

2008

Bodega Aurrera Express expansion



2007

License issued to operate a bank in Mexico

2005

Superama.com.mx Online grocery sales



2004

Mi Bodega starts operations

Wal-Mart Stores, Inc. acquires 33% of the shares of CARHCO (Central American Retail Holding Company)



BUSINESS MODEL

Our customers are always at the center of all our decisions, which is why we aim to provide a seamless shopping experience. We built the capabilities needed to deliver value to all our stakeholders.



Customer-centric: We place our customers at the center of our decisions with the purpose of helping them save money and live better.



Seamless shopping experience: Our customers can shop in our stores or via our digital platforms, easily, without friction and with the same benefits.



Capabilities: The key resources that distinguish us, enabling us to fulfill our customer value proposition and deliver value to our stakeholders.



Our way of working: The transformation in how we work is related to an ongoing process of evolution towards being an agile organization.



Stakeholders: We seek to consistently deliver value to our customers, associates, shareholders, communities, partners, suppliers and the planet.

OUR CAPABILITIES

1 STORES AND DIGITAL PLATFORMS

Throughout the years we have been able to delight different customer segments with our service in the 685 cities where we operate, adapting our offering to customer lifestyles and expectations, and expanding our assortment to favor those customers who are most price sensitive.

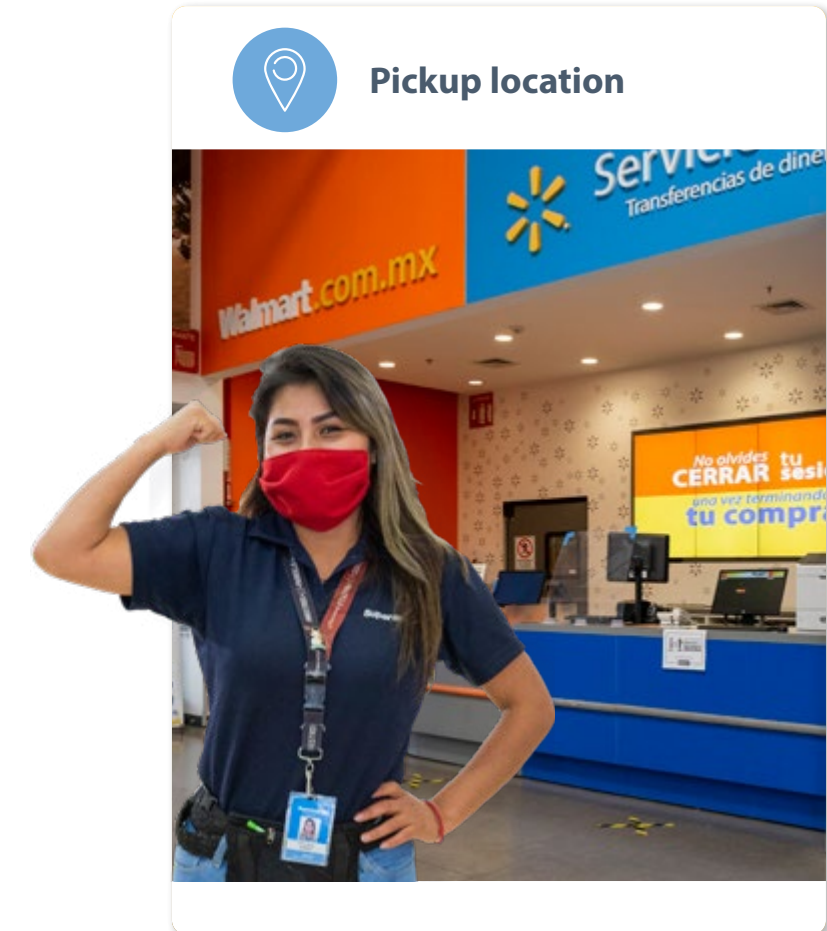
We have evolved the shopping experience for our customers by combining solutions in our brick-and-mortar stores and digital platforms, with a robust omnichannel proposal and the commitment of maintaining our Every Day Low Prices.

OMNICHANNEL STORE

In our omnichannel stores, we combine the benefits of the brick-and-mortar store with the advantages of our digital platforms. Within the stores, our customers can do online shopping through kiosks and extended catalog screens, with the option of paying online, at the checkouts or, in the case of On Demand purchases, paying upon order delivery. In addition, they can choose to receive merchandise via store pickup -either at the module or in their car- or via home delivery.

Our omnichannel strategy allows us to leverage our broad coverage via stores, by equipping them with digital capabilities.

In Mexico, 85% of the population in major cities lives within 10 minutes of one of our stores.

**586**

On Demand stores in Mexico

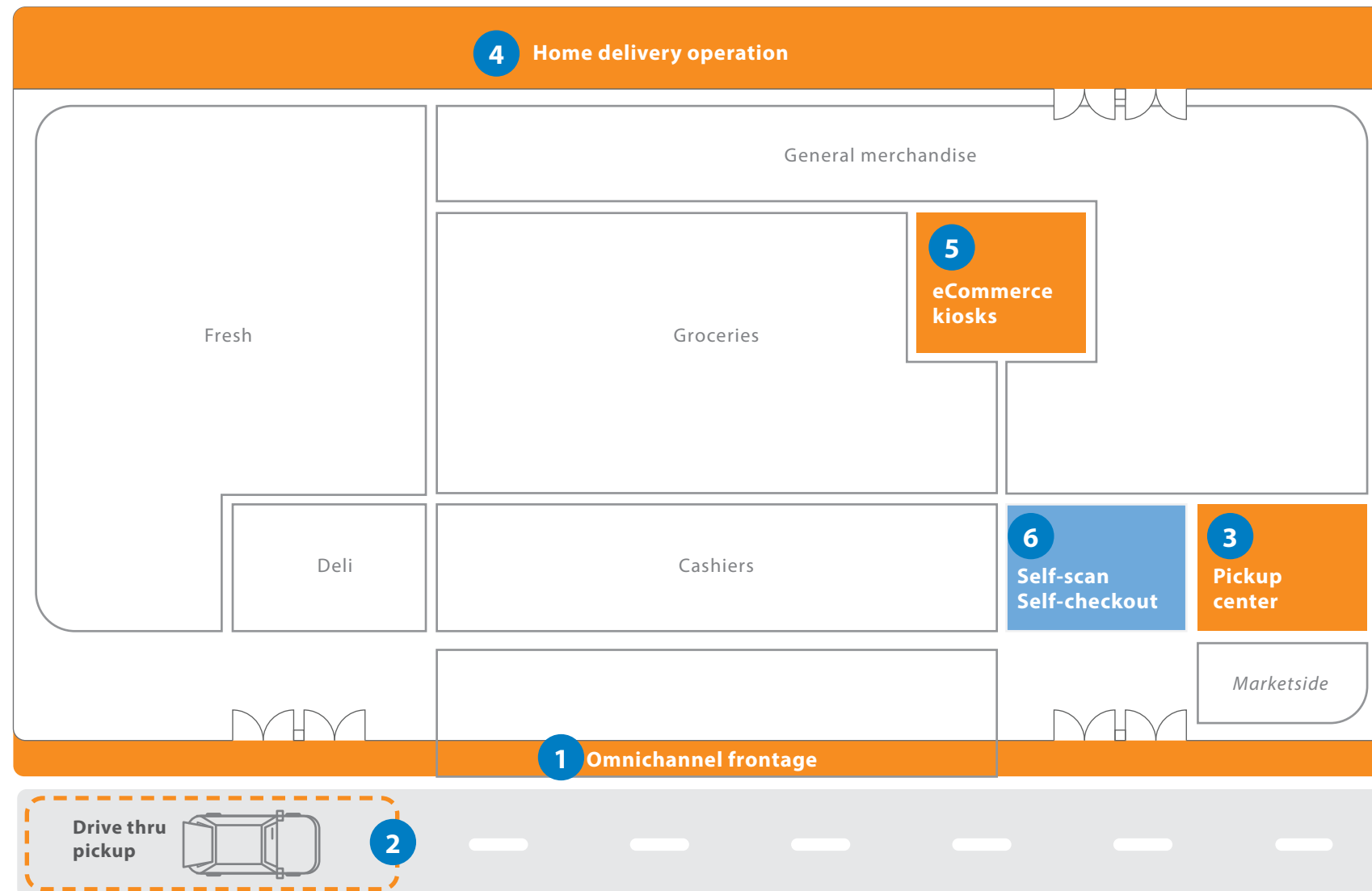
**1,131**

kiosks in Mexico

**1,349**

Pickup locations in Mexico

Store with omnichannel capabilities

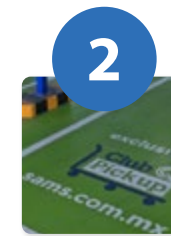


We enhanced shopping experience offering 5 omnichannel capabilities


1

Omnichannel frontage

Easily identifies our omnichannel stores.


2

Drive thru pickup

Digitally buy and pickup without leaving your car.


3

Pickup center

Pick up your online or call center shopping.


4

Home delivery operation

We strengthened our operation and redesign last mile to accelerate our home deliveries.


5

eCommerce Kiosks

Extended catalogue offering a wide variety of products with the best prices.


6

Digital Transformation

Streamline the payment of products directly and safely, through self-checkout or self-scan.

SOLID DIGITAL OFFERINGS

We improve and extend our platform offerings to make the lives of our customers and members easier, through On Demand service that provides the possibility of delivering over 52,000 products the same day in any of our business formats. Likewise, we have an extended catalog through Marketplace, with over 1,000 sellers offering a variety of products at the best prices.

In Central America, we developed and launched an online shopping platform, offering an extended assortment from our catalog, so we enabled it with omnichannel home-delivery and pickup capabilities from more than 200 stores. This covers 60% of the territory in five countries, for our Bodega, Supermarket and Walmart formats.



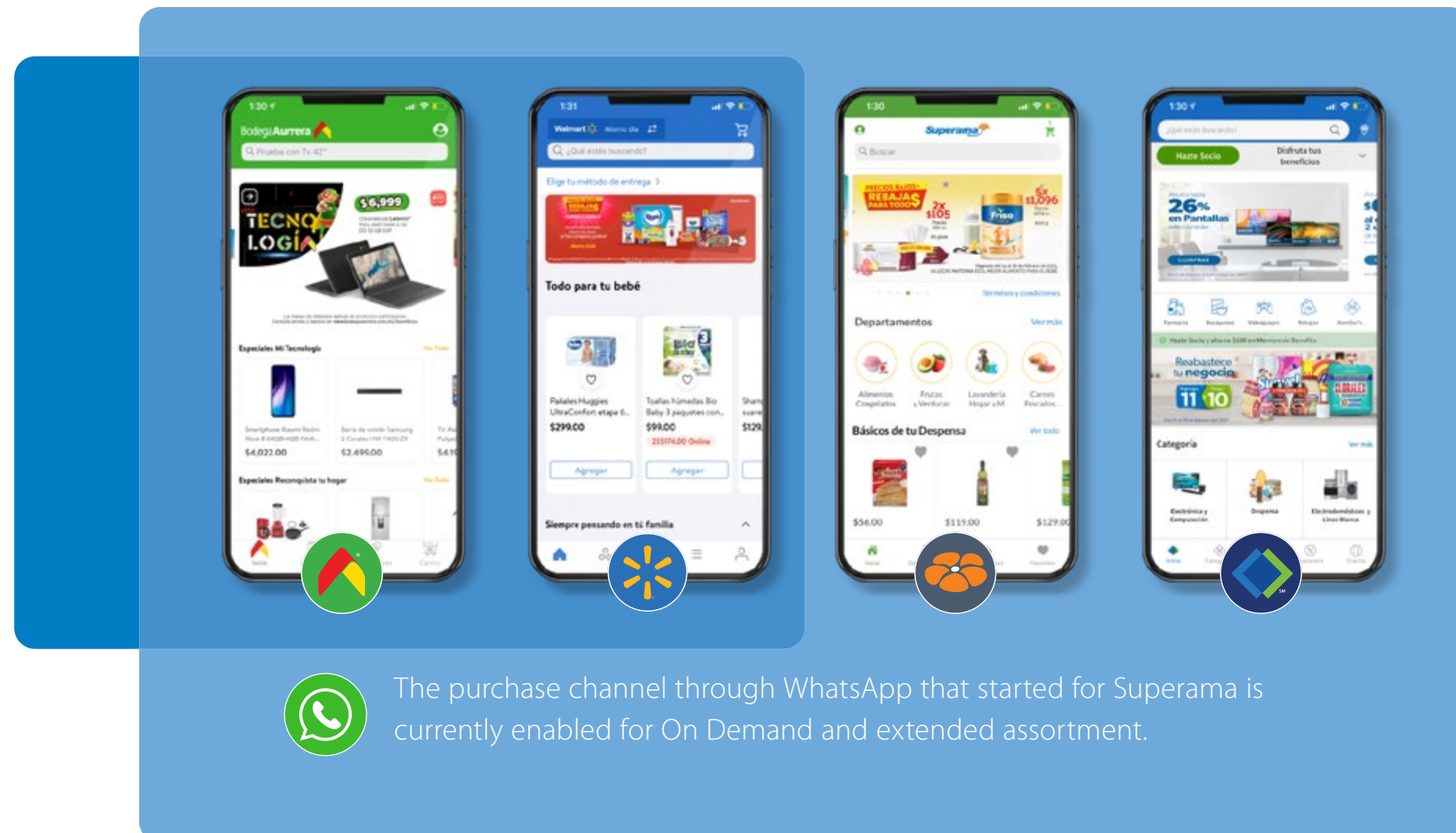
Extended assortment:

- Bodega Aurrera en línea
- Walmart.com.mx



On Demand:

- Superama.com.mx
- Despensa.bodegaurrera.com.mx
- Walmart.com.mx
- Sams.com.mx
- Centroamerica.walmart.com



2 SUPPLY CHAIN

LOGISTICS NETWORK

- 31 Distribution Centers, 19 in Mexico and 12 in Central America
- We traveled over 306 million kilometers to keep our promise of same-day delivery

We currently have **the most robust omnichannel logistics network in the country**. In keeping with the decision to continue with our investments, not delay our growth, and continue reinforcing our logistics infrastructure, we opened three DCs in 2020.

During March, we opened one Fulfillment Center, in Estado de Mexico, to supply all our stores nationwide, thereby creating 350 jobs. This DC will be the spearhead for eCommerce platforms in the center of the country, supplying 22 states throughout Mexico and focusing primarily on the Center and Southeast regions.



In September we opened two omnichannel DCs; one in Merida, Yucatan, to supply the whole country, focusing on the Center and Southeast, creating over 725 direct jobs; and another in Chihuahua, serving 58 units from different formats in NW Mexico, creating over 777 direct jobs.

In continuing with our growth plans, this year we began construction of two new distribution centers:

- **DC Villahermosa for Fresh**, located in the municipality of Cunduacán, Tabasco. It will supply seven states, and serve more than 500 stores from all our formats.
- **DC Mexicali, in Baja California**. Its doors open in 2021, thus strengthening our logistics network in the states of Baja California and Sonora, supplying stores from Bodega Aurrera and Walmart.



In a year where digital purchases became increasingly prevalent, we emphasized eCommerce logistics to reinforce our strategy and design initiatives with digital specialization

We have built the supply chain that is supporting the business of the future. Efforts in previous years to reinforce our omnichannel capabilities have enabled us to successfully overcome the difficulties caused by the health emergency, leveraging the infrastructure built in a better way.

We have risen to the challenge of providing merchandise to our stores, thus improving productivity. We reinvented the last mile by processing merchandise in less than 24 hours. We managed a 50% reduction in the time that supplier transportation remains at the DCs. We are also reducing the time the transportation is at the store, making the merchandise flow more efficient.

We have adopted digitalization in our way of working. For operations visits, a traditional plan with which we personally tour the DC, this year we made virtual tours for the first time. This allows for more detailed overseeing of DC operations, and the possibility of involving more company areas so they can join the initiatives being implemented and strengthen operations through collective expertise.

To continue maintaining high service levels, we invested in enhanced collection terminals and tracking systems to obtain information on real time location and delivery of merchandise.

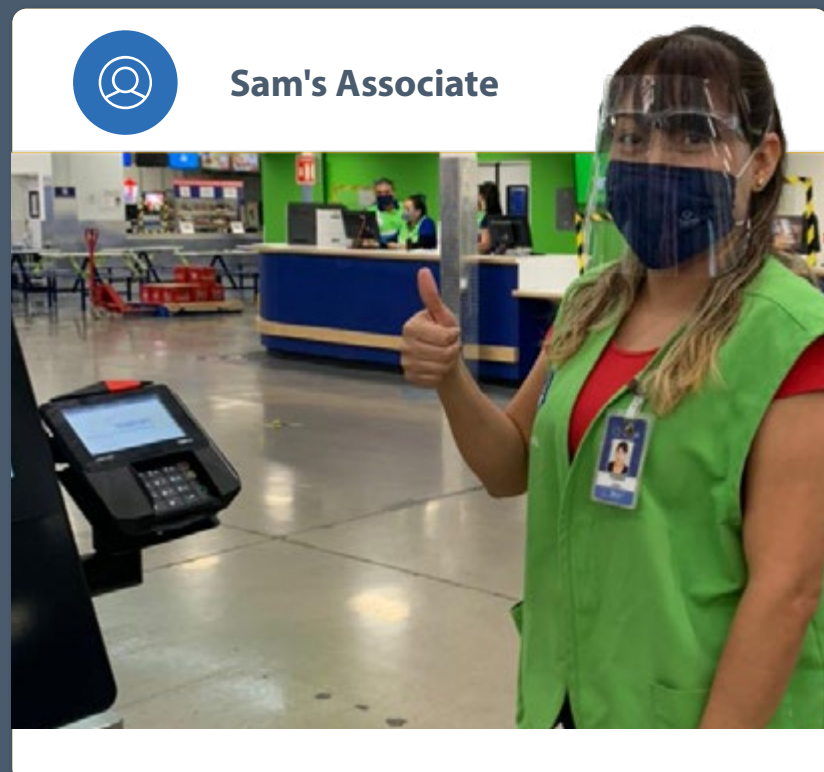
We continued developing future leaders in logistics; in Mexico, we promoted 1,497 associates and trained more than 19,000. In Central America, we offered the Business Project Management course for training in process management methodologies. In addition, we established a strategic alliance with Franklin Covey, who provided training in Six Critical Leadership Practices for, logistics manager development.

Despite having solid logistics operations, we continue working on being the spearhead in supply chains. Solutions have been developed through innovative technological platforms like Blockchain and the Internet-of-Things, both of which are important concepts being developed to operate the DCs of the future and, in this way, increase our business potential in the following years.



3 OUR TALENT

One of our priorities and the most important pillar of our business model are our associates. They are at the center of our decisions and every day we make sure to meet our Associate Value Proposition. As part of this proposition, we offer the benefits of working with a purpose, where there are everyday challenges that enable everyone to fulfill their dreams and enjoy what they do in an inclusive and diverse work ethic. At Walmart de México y Centroamérica, our associates can be 100% themselves.



Within our company, associates have the possibility of developing their skills, growing and being successful with the certainty that there is no wage difference due to gender, age, religion, sexual preference or political ideology.

Training is constantly offered through different programs based on individual needs detection. This year, before the pandemic, we offered training via virtual means, providing the tools needed for personal and professional growth.

In Mexico, we designed training programs that focus on our leadership cross training, agility, and functional-technical aspects. In Central America, the Operations Academy was launched seeking the development of our store associates, with the intention of reinforcing the frontend, backstore, fresh, and groceries. In addition, we supplied training to strengthen leadership, managerial, and project management skills, among others.

Our company is firmly committed to the personal and professional well-being of our associates; we work and strive to offer a work-life balance for our great family

4 DATA AND TECHNOLOGY

We make use of technological tools and processes to convert data into information, based on which we have made the decisions that guided several aspects of our business this year.

Our data and customer intelligence office has created an impact on our operation and led to creating solutions to continue building the Walmart of the future.

Our customers are at the center of our decisions and our efforts are aimed at offering an innovative shopping experience to keep their preference and our leadership position

This year, seeking to adapt to the situation caused by COVID-19, we rely increasingly more on data to understand the changes in our customers' habits and the new national and international norms; the change in customer spending; the impact it has on the average ticket; and the purchasing dynamic by geographic region, commercial division, and format.

These contributions allowed us to assess our present, providing us with a useful tool and information to act in consequence, and execute models that allow for reacting and planning the short and mid-terms.

This is why we developed our own predictive model based on available information, projecting possible scenarios of the epidemiological stages for the second, third, and fourth quarter in 2020, and the possible impact on the business and our commercial campaigns.

The results were a guide during the first months of the pandemic. This data was employed by the commercial offerings team to update their third and fourth quarter planning, being ahead of the Holiday season, of toy sales, and of the Fin Irresistible (Irresistible Weekend).

Moreover, this implied that logistics and merchandising decisions would be made in line with having sufficient inventory to meet eCommerce-based shopping levels.





SHARED VALUE: OUR ESG APPROACH

(Environmental, Social and Governance)

Walmart's purpose is to save people money to help them live better. We help families find solutions that make their busy lives easier by providing them convenient access to affordable food items and other products around the world, while also generating economic opportunities and seeking to improve social and environmental sustainability to strengthen local communities.



Despite having been a year full of challenges, we maintained our responsibility to sustainability, our communities, and the planet. We aspire to create Shared Value.

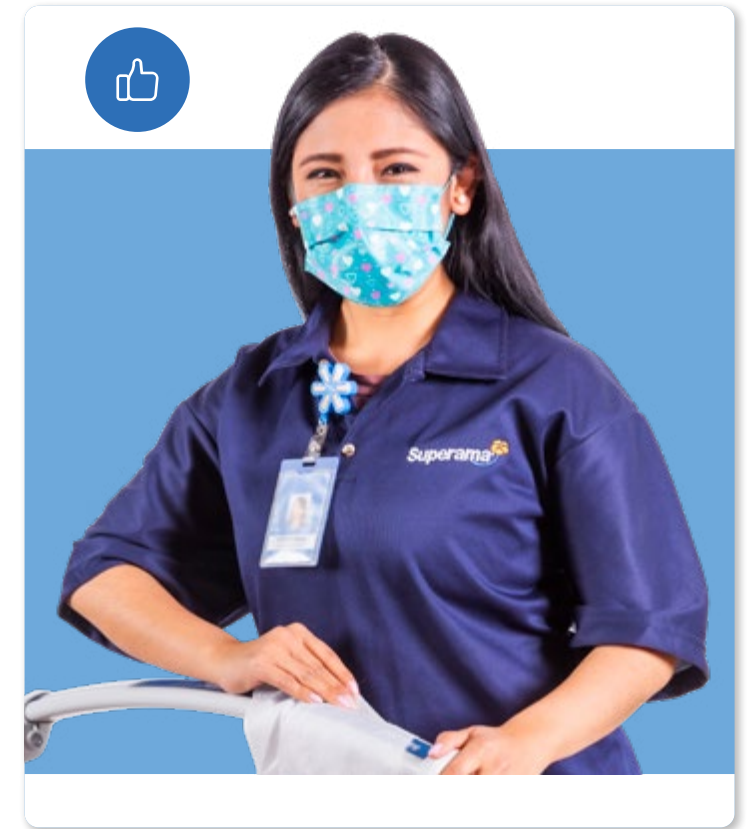
Generating Shared Value for our stakeholders

GRI 102-40, 102-42, 102-43, 102-48

The value of our business increases as we approach important needs for society and in this way we contribute to society's transformation.

For Walmart de México y Centroamérica, Shared Value implies creating economic, environmental and social value for all our stakeholders. This creation of value increases company competitiveness, while also contributing to improve the social and economic conditions for those with whom we relate.

To achieve this virtuous cycle between Walmart and our stakeholders, we have the firm commitment of our leaders to develop competencies and new forms of expertise, maintaining continuous dialog with our stakeholders and always taking their needs into account.



Customers

Convenient access to affordable, trustable and sustainable products and services



Shareholders

Superior long-term returns through financial and ESG leadership



Suppliers

Access to markets and ability to accelerate supply chain sustainability



Associates

Opportunity for good jobs and growth



Communities

Resources to build stronger, more inclusive communities



Planet

Leadership on renewable energy, waste and sustainability



Business partners

Strategic alliances for strengthening ecosystems



Every day we make an effort to:



Act responsibly, guaranteeing the execution, sustainability and efficiency of our operations and value chain



Deliver value to our suppliers and associates and to reinforce relations with civic groups



Ensure environmental protection as a foundation of the business; we fully understand that the future of our company is closely tied to the future of the planet



Increase our customer loyalty, offering them quality and innovative products at low prices



Make long-term investments, benefitting both our communities and our shareholders



Customers

6 million

customers served daily¹

586 stores offering
same-day delivery in Mexico

+170 bps
improvement NPS²



Communities

+34,400

tons of food donated¹

+50 bps increase in price gap
in Mexico

130 million
pesos for COVID-19 **Temporary Unit**²



Shareholders

30.9 billion

pesos returned in dividends

6 years outpacing the market
growth in Mexico

12% stock price appreciation
during the last two years



Associates¹

11,500

women promoted

+4,400
associates with disabilities
+193% vs 2019

38%
executive positions filled by women



Suppliers²

+420 entrepreneurs developed
with Walmart Reemprende Digital

92%
of our self-service suppliers are SMEs²

418 million
pesos in purchases from small farmers



Planet

75.7%
progress in the Zero Waste goal in Mexico

12
recycling centers installed in Mexico

93%
of palm oil comes from
certified sustainable sources



Business Partners

100% rent payment waived,for two
months for 56% of tenant base (micro and
small) in Mexico

7-day payment term for our micro
and small suppliers

COVID-19 we were involved in the
creation of Guide for order purchases and
deliveries during the pandemic in Mexico

SHARED VALUE MODEL

As a company with 231,271 associates, over 2 billion customers, 41,186 suppliers, and present in 685 cities throughout the region, we can and must contribute significantly to sustainable development, therefore our reason for believing in our Shared Value approach.

Our company is based on values and is led ethically, and our decisions and leadership are always guided by our principles.

Our actions are in line with our purpose of saving our customers time and money to help them live better, with the vision of contributing towards improving the quality of life of the families in the region. This is achieved by our way of working, in conjunction with our stakeholders.

Together we generate Shared Value for society and the planet to increase the potential of economic, environmental and social value.

Building this virtuous cycle leads us to being the most reliable omnichannel of which all of us can be very proud.



ESG PRIORITIES

GRI 102-14,102-47

In maximizing Shared Value, our goal is not only to lead a profitable omnichannel business, but to also perform large scale and long-lasting enhancements to the most outstanding ecosystems of our business.

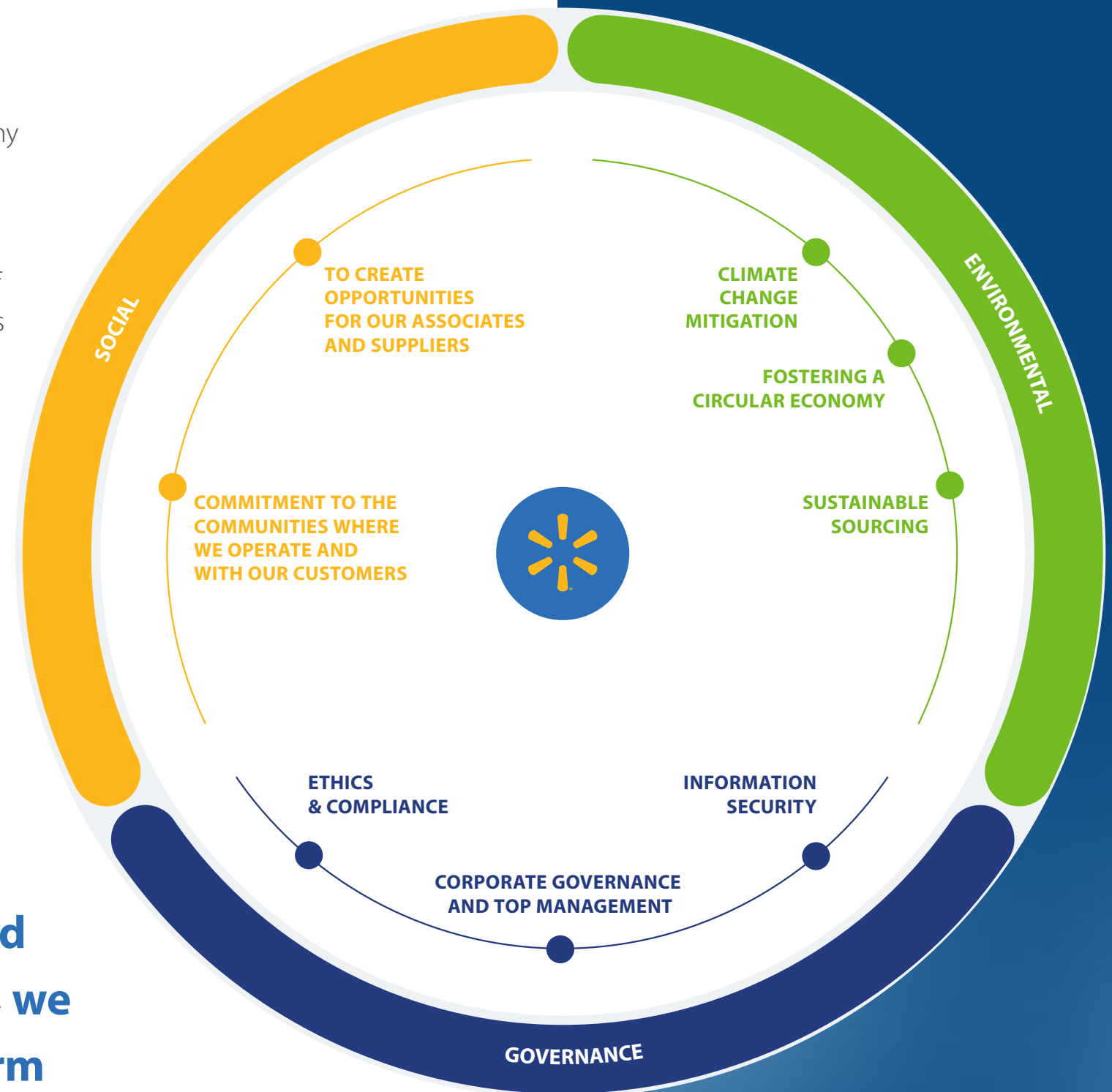
We have the unique ability of making a difference through our strengths, with an important role played by all our associates in the region; our supplier relations; our expertise in food, food products and other categories; our units; our responsibility to the environment; and our logistics and technological capacities.

We determine our ESG priorities in terms of the importance each subject has for our company purpose, the categories we manage, and our key markets, in addition to the capability our company has to effect change and underscore the right measure of importance of each subject for our customers and stakeholders.

These priorities are founded on valuable information supplied by our stakeholders. In 2018, we performed our Materiality Analysis, whose results help in:

- 1 Identifying subjects of priority for the company
- 2 Identifying subjects of importance for each of our stakeholder groups
- 3 Identifying risks and opportunities
- 4 Defining and implementing action plans that lead to enhancing our performance

In light of the changes produced by the pandemic, we decided to perform a new materiality analysis for 2021



GRI 102-46, 102-47

In line with our strategic approach and those subjects considered essential for our stakeholders, we have defined three strategic pillars for our company. We update our strategy through continuous improvement process and inform all our shareholder of our commitments, progress, and challenges:



We implement different measures and tools to move forward in the process of incorporating our ESG priorities in our operation:



Approaches for the responsible management of the company and for acting with integrity, including our ESG approach, our Statement of Ethics, and our corporate governance and compliance structures.



Principle, commitments and positions: These offer guidance to all and ensure both compliance with the law as well as adherence to standards overcoming these guidelines. An example is our Human Rights Declaration. We are committed to full compliance with internationally-recognized human rights, not only within our own operations, but also throughout our entire value chain.



Guidelines such as the 10 principles of the UN Global Compact, and the Sustainable Development Objectives.



Sustainable Indexes: These independent evaluations by third parties are an important source of motivation, and they serve as management tools while also helping us to identify our progress and our areas of potential improvement.



Definition of ESG goals for the main areas of the company.

ESG MANAGEMENT

GRI 102-19, 102-20

Our ESG management has the goal of systematically integrating sustainability into our business, efficiently taking into account the reciprocal effects among economic, environmental and social aspects, always oriented towards solutions.





GRI 102-22,405-1
SASB CG-EC-330A.3, CG-MR-330A.1

CORPORATE RESPONSIBILITY COMMITTEE

Our business strategy is aligned with our ESG priorities. To accomplish this, we have a Corporate Responsibility Committee that is overseen by our CEO and comprised by top executives in each of the areas of the company.

Members



Chairman

CEO



Members

Corporate Affairs,
Central America
Audit
Real Estate
Merchandising
eCommerce
Compliance
Finance and Investor
Relations
Legal, Central America
Legal and Corporate
Affairs, Mexico
Operations
Human Resources
Digital Transformation
Corporate Affairs
and Sustainability,
International

The Committee
meets four
times a year

57% of
members
are women



GRI 102-29, 102-30, 102-31

Among the primary functions of the Committee is to define the long-term ESG strategy for the company, adjust operating and decision-making processes, and develop action plans for each essential matter

Primary responsibilities of Corporate Responsibility Committee:



Making sure of the solid integration of sustainable development into company strategy



Supporting the consolidation of structural changes, and establishing action plans, indicators, policies, and procedures



Leading the company towards national and international trends aimed at maintaining our leadership position



Assessing the effectiveness of Corporate Responsibility initiatives and the implementation progress



Analyzing risks and internally identifying opportunities that arise so as to improve our performance



Establishing a long-term vision and strategic priorities that are based on what is best for our customers, business, and society

ESG TEAM

We conduct ongoing work aimed at ensuring that each operation, each product, and each service generates value for all our stakeholders. There is a team of experts fully dedicated to finding strengths and opportunities in the company in ESG-related subjects, and to coordinating plans, objectives, and indicators that, together with the Corporate Responsibility Committee, help to enhance performance.

This ESG-focused team reports to the EVP and Chief Legal and Institutional Affairs Officer for México and Central America, who in turn reports to the CEO of our company.



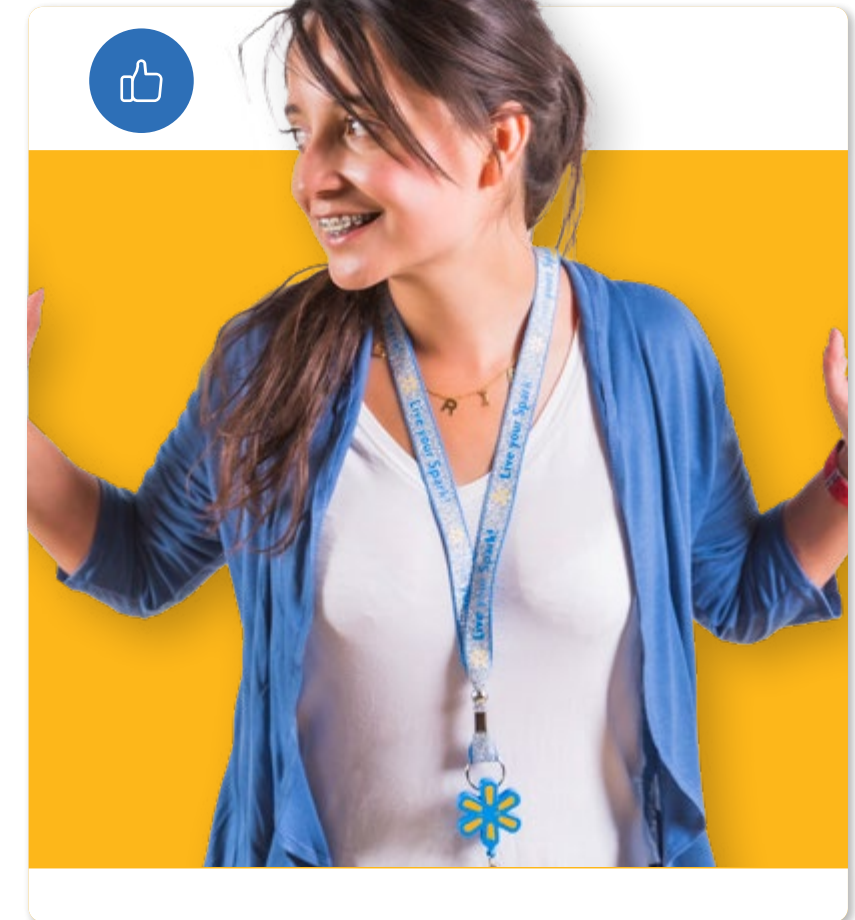
GRI 102-12

WE SUPPORT



UN GLOBAL COMPACT

We are signatories of the UN Global Compact since 2019, fully incorporating sustainability into our business strategy. Moreover, it provides us with the proper framework to reinforce our long-term commitment to commercial, responsible, and ethical practices.



We work to reinforce our commitment to responsible operation, in keeping with the 10 principles of the UN Global Compact, and to making strategic decisions towards achieving the UN Sustainable Development Goals (SDGs)

CONTRIBUTING TO THE UN SDGs

GRI 102-12

Our Shared Value strategy is in response to the global challenges affecting our business and our stakeholders from inequality and human rights to climate change and food waste.

At Walmart de México y Centroamérica we contribute -in different ways and to different extents- to meeting all SDGs. In line with the UN Global Compact, in 2019 we identified our five priority SDGs through a joint process with the members of the Corporate Responsibility Committee and research on the industry at local, regional, and global levels.

In light of Agenda 2030, as of 2020 we have incorporated indicators with historical data on each of the SDGs, with the purpose of reporting our progress annually and detecting where the major expectations, risks and opportunities for the company lie, also including areas where we are achieving a more significant contribution.

Click here to obtain further information on our contribution to the SDGs and the results we have achieved from 2017 - 2020 [click here.](#)

Click on the three pillar to see our efforts regarding the UN Global Compact

Environment

Social

Governance

Our priority SDGs

3

GOOD HEALTH AND WELL-BEING

5

GENDER EQUALITY

8

DECENT WORK AND ECONOMIC GROWTH

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

Our SDG contribution

1

NO POVERTY

2

ZERO HUNGER

4

QUALITY EDUCATION

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

10

REDUCED INEQUALITIES

11

SUSTAINABLE CITIES AND COMMUNITIES

14

LIFE BELOW WATER

15

LIFE ON LAND

16

PEACE, JUSTICE AND STRONG INSTITUTIONS

17

PARTNERSHIPS FOR THE GOALS

34