

THE OPPORTUNITY:

continue
growing
together

AT WALMART DE MÉXICO Y CENTROAMÉRICA WE HAVE THE OBJECTIVE OF PROMOTING A SUPPLIER BASE THAT IS INCLUSIVE AND GENERATES ECONOMIC OPPORTUNITIES FOR PEOPLE AND THEIR FAMILIES





SATISFIED CUSTOMERS AND MEMBERS

Our customers are at the heart of everything we do. We work as a team to meet their needs; we listen to their opinions and expectations; and we make a big effort every day to improve our performance, with the goal of serving them better.



GOLDEN RULE



THE CUSTOMER


IS ALWAYS RIGHT

IMPROVING THE EXPERIENCE OF OUR CUSTOMERS AND MEMBERS


GRI 102-43

We have two digital tools whose purpose is to monitor shopping experiences through a satisfaction survey: Customer Experience Index, and the Member Experience Index.

Tablets



Email / Social media




Both indexes help us detect our strengths and opportunities, to better develop action plans that will enhance the experience of our customers

 **100%**
of our stores Bodega Aurrera, Walmart Supercenter and Sam's Club have these monitoring mechanisms

 **+ 21,300,000**
surveys answered by our customers and members in the region

GRI 102-43



Results for Mexico

- We increased our overall customer recommendation rate by 1.7%
- We increased the overall customer satisfaction rate

Sam's Club

- We increased the member recommendation rate by 2.6%
- We increased the satisfaction rate for our members
- The intention of members who shop in our clubs or online increased 1.6%
- The highest ranking format in overall satisfaction

Self-Service

- We increased the customer satisfaction rate by 1.7% in Mi Bodega and 3.3% in Walmart Supercenter
- We increased the satisfaction rate of our customers in self-service
- Walmart Supercenter is the format with the best score in overall satisfaction for self-service

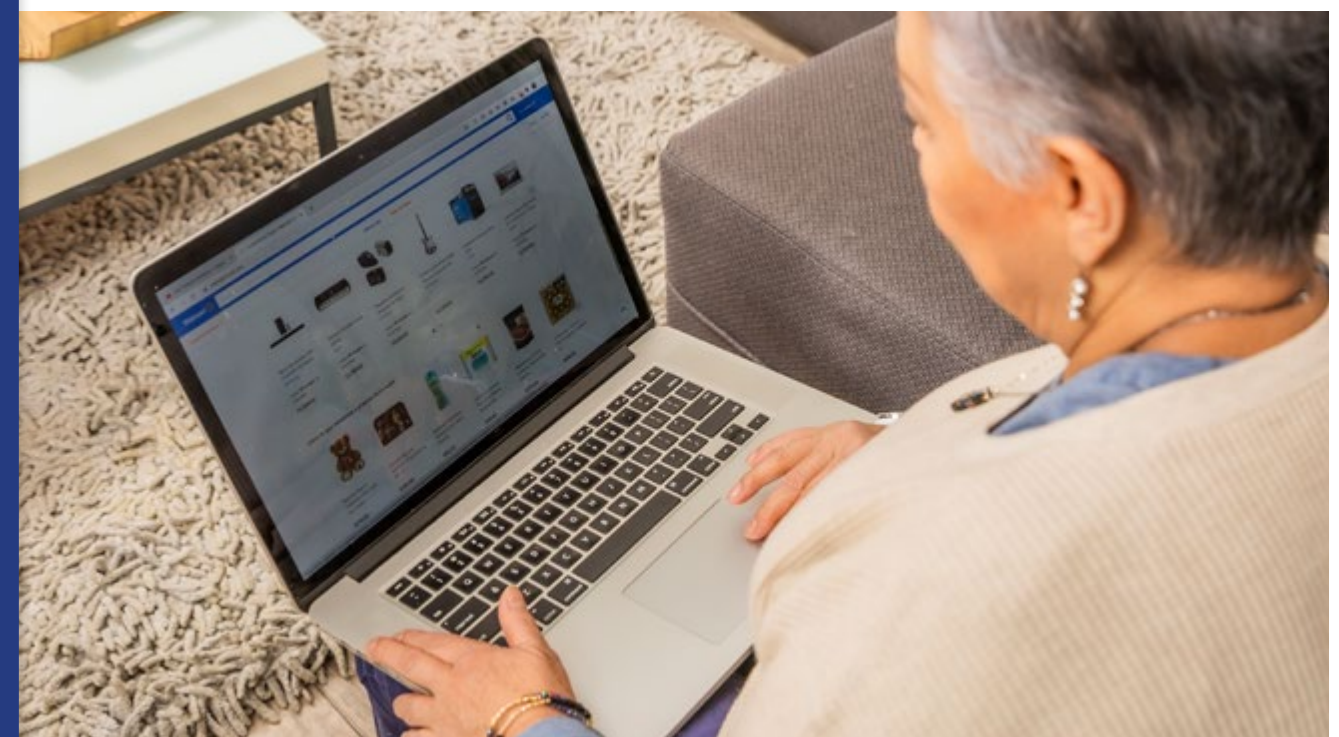
eCommerce

- We increased the recommendation rate of our members and customers by 3.4%
- We maintained the satisfaction rate of our members and customers
- The format best evaluated in overall satisfaction was Bodega Aurrera



Central America

- The overall rate of customer recommendation increased 8%
- We increased the overall customer satisfaction rate by 7.7%
- The format that ranked the highest in overall satisfaction was our Discount Stores



TRANSFORMING TO MEET OUR CUSTOMER SATISFACTION

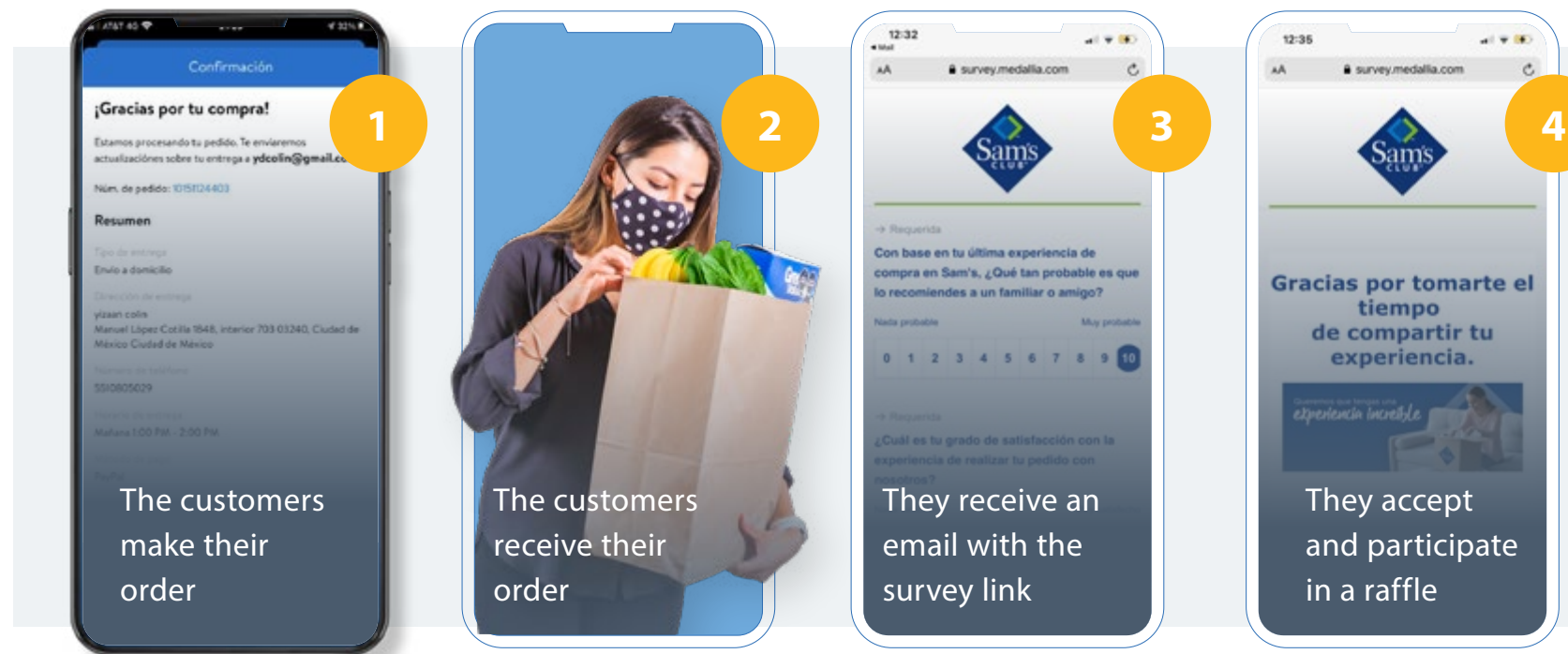
GRI 102-43

As a result of the pandemic in 2020, in Mexico and Central America we conducted a methodological change to measure the satisfaction of our instore and eCommerce customers. We went from having tablets in all our points of sale in all our countries and formats, to the methodology used by Walmart International in the majority of countries where it operates.

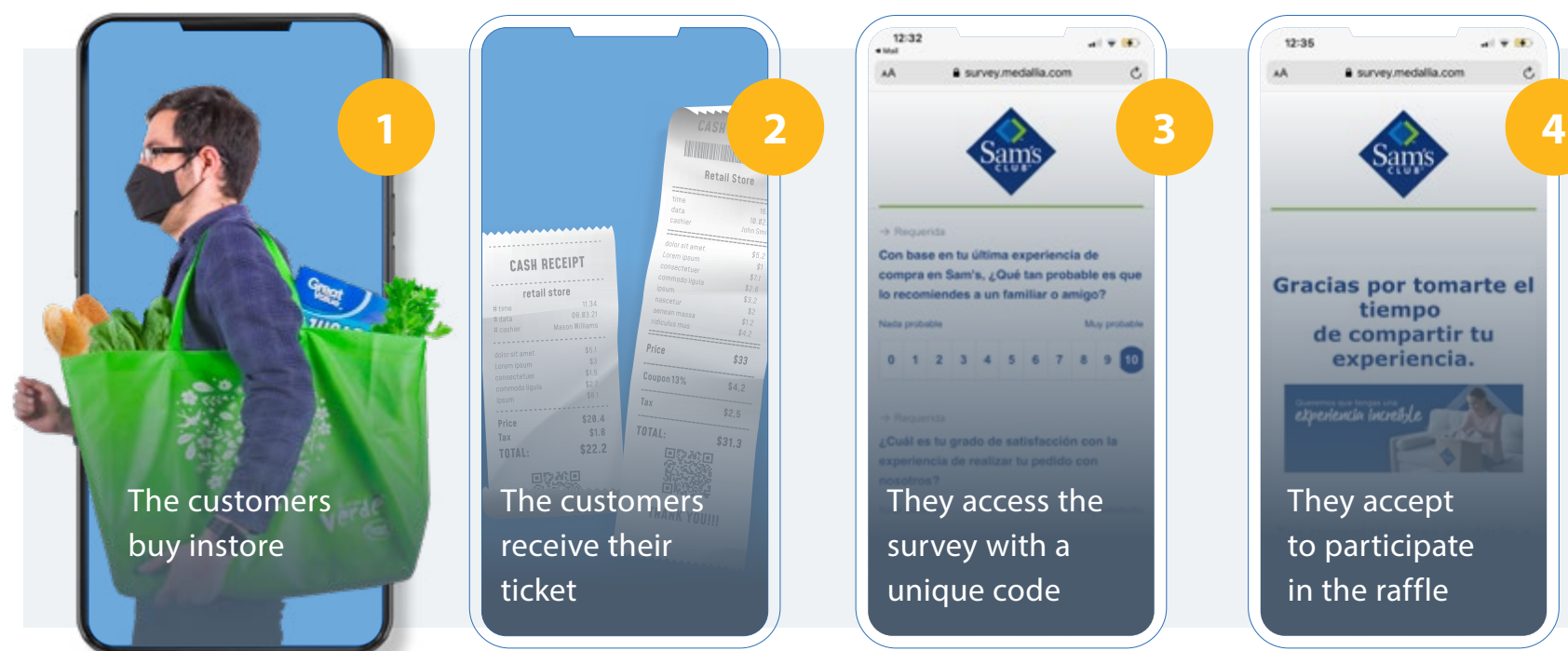
This methodology encompasses a questionnaire that matches that of Walmart International, evaluating six variables that explain satisfaction: cleanliness, speed, friendliness, quality, prices, and assortment, in addition to NPS (Net Promoter Score) and Satisfaction. The change to the new methodology and its launch have been done gradually.

CUSTOMER EXPERIENCE

ECOMMERCE



BUYING IN THE STORE OR THE CLUB



COMMUNICATION CHANNELS

GRI 102-43

We have a Corporate Contact Center where different means of communication are made available to our customers.

The means of communication include:

- Telephone
- WhatsApp
- Social media
- Email
- Chats in corporate sites

UNDERSTANDING OUR CUSTOMERS AND MEMBERS

Stemming from the pandemic, we developed certain tools that help us have comprehensive understanding of our customer and member behavior. This includes changes in the shopping habits and frequency, with the purpose of providing them with improved service.

In addition, in order to conduct medium and long-term planning, we developed a prediction model that allows us to project possible adverse situations, and thereby concentrate our efforts and campaigns in benefit of the customer.

We listened to over 350 customers and members via 120 live Zoom sessions or in-depth interviews, thus changing the traditional contact method to a more dynamic digital way, affording us greater scope, and where increasingly more business areas participated in real time. Consequently, we were able to better understand and learn more from our customers and members.



We are able to detect areas of opportunity in our operation to continue enhancing the service level



CONSUMER PROTECTION

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

Through our Consumer Protection program we have implemented different processes that ensure meeting our commitment. The company has review procedures for new advertising material, whose purpose is to ensure said material is truthful, clear, complete, and that it offers the necessary elements for informed decisions by the customer.

Each year we conduct a communication and training program for all our store, club, and staff associates, ensuring that all advertising and/or promotions created are clear, truthful, and in compliance with applicable regulatory requirements.

Moreover, we reinforced with our staff and operations personnel -through communication and training- the rules and best practices to be followed to avoid any possible sanctions by the authorities, and to guarantee satisfied customers.

This program sets forth special guidelines for product categories having specific rules, such as alcoholic beverages and prepackaged food products. We also train newly-hired and transferred associates in key consumer-protection subjects that are important for their activities, such as pricing, promotions, labeling, and supply.



We are committed to complying with all consumer protection laws and regulations in force where we operate, and to providing consumers clear and accurate information on our products and services



We have calibration processes for scales in all our units, as well as procedures concerning product returns, pursuant to applicable legislation, and to generate satisfying shopping experiences for our customers.

With our program for eCommerce, Trust and Safety platforms, we monitor make sure that product information is correct and ensure that products banned for sale by applicable regulations and/or internal company policies are not being sold, as is the case of offensive or discriminatory products, or those displaying inappropriate language.

Both in our stores as on our eCommerce sites, we have several channels available to provide consumer support and assistance, to either make orders, follow-up on orders, or to resolve any complaints. There are telephone numbers that our customers may use in the case of any complaints or questions. Furthermore, we have other mechanisms available in social media.

Consequently, we maintain customer loyalty by effectively and implementing policies, programs and processes in our company

LABELING




GRI 416-2, 417-1, 417-2, 414: 103-1, 103-3, 419: 103-1, 103-2, 103-3, 419-1
SASB FB-FR-270A.1

Based on our Labeling Policy, we reviewed the product labels and packaging for Our Brands to guarantee that clear and accurate information is provided, pursuant to all applicable legislation, not misleading our customers.

During the year, in Mexico we worked with our suppliers to implement the new front labeling system for food products, in compliance with the new labeling regulations in the country, an in support of initiatives that benefit the health of our customers.

We also have guidelines for complying with laws that regulate labeling, and our associates receive training in the regulatory requirements that must be followed.

The primary labeling requirements include:

-  Origin of product or service components
-  Content, especially regarding anything that can have certain environmental or social impacts
-  Product or service safety instructions



We have verifications that ensure that product labeling complies with all regulations in force

GRI 417-3

 **Labeling**
Mexico

1,319
labels approved

52
labeling issues

41
ending in fines or sanctions

41
authority intervention due to non-compliance

2,136
visits by health and consumer protection authorities

In Mexico, 100% of Our Brand products are validated by outside firms who issue a validation or compliance certificate with overall labeling regulations, and with specific standards for each product.

 **Labeling**
Central America


We concentrated on five important categories by product volume and sensitivity:

- Domestic food products and beverages
- Imported food products and beverages
- Cosmetics
- Hygiene products
- Pharmaceuticals

100% of our significant product and services categories were covered and evaluated in terms of labeling compliance


763
regulatory visits to confirm regulatory compliance and labeling requirements


2
cases relative to labeling inconsistencies that were given corrective follow-up

 **Responsible Marketing**
Mexico

8
marketing issues

8
resulted in fines or sanctions



 **Responsible Marketing**
Central America

33
issues stemming from customer claims regarding non-compliance in subjects pertaining to advertising, which underwent corrective follow-up

6
resulted in fines or sanctions

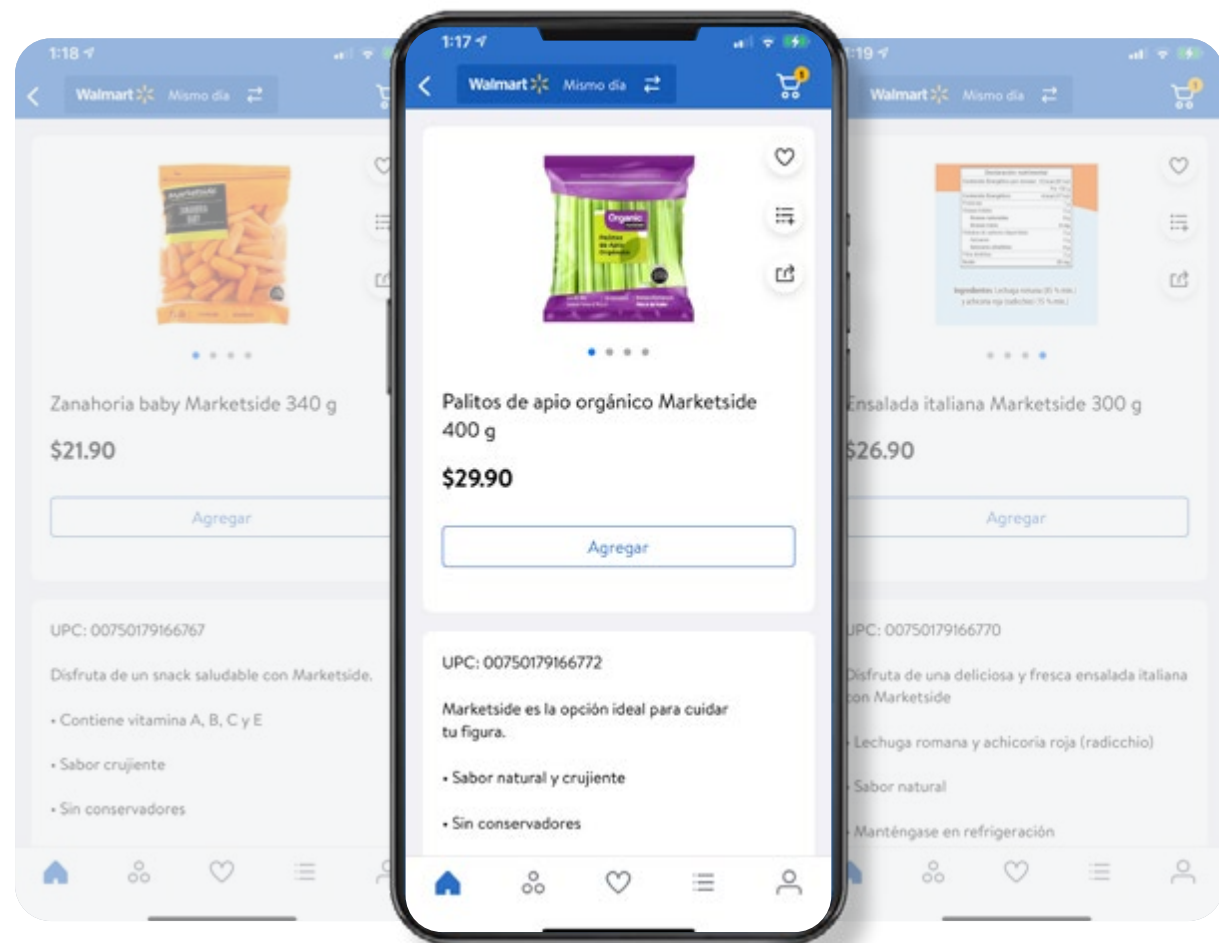
PROMOTING A HEALTHY LIFESTYLE

GRI 416: 103-1, 103-2, 103-3
SASB FB-FR-260A.2



We want our customers to have increasingly better health and wellness. We support them in enjoying a healthy lifestyle and habit that help to keep them healthier, through three pillars:

- Offering healthy products
- Fostering physical activity
- Educating our customers



Our healthy and nutritious product offering continues on the rise

- Gluten-free
- Sugar-free
- Organic
- No trans fats
- Low in sodium



OFFERING HEALTHY PRODUCTS

With our specialized team in responsible marketing communication, we work to ensure transparency in the nutritional product content as well as product innovation and nutritional profile improvements, by reducing sodium, fats, and sugar, among other aspects.



4ª Superama Race



Run With a Purpose Race



FOSTERING PHYSICAL ACTIVITY

In February 2020, Superama organized *Corre Con Sentido* (Run With a Purpose) for those of our customers who lead a dynamic, healthy, and family-oriented lifestyle; it is a race which encompassed 5 and 10 kilometer-stretches. This event has a social cause, as 100% of the enrollment fees were donated to different civil society organizations. The 2020 race was in benefit of children with cerebral palsy, collecting over 1,000,000 pesos in support of the 500 children of APAC -the Association for People With Cerebral Palsy.

EDUCATING OUR CUSTOMERS

The Consumer Goods Forum is a global organization that gathers top retailers and mass consumer-goods producers throughout the world to achieve positive changes in the industry and among the consumers. Doug McMillon, President and CEO for Walmart Inc., is a member of the Global Board of Directors; and Guilherme Loureiro, President and CEO for Walmart de México y Centroamérica, represents the company in the chapter for Latin America.

As a result of the importance of these subjects for the region, our efforts center on the pillar for health and wellness

EDUCATING OUR CUSTOMERS

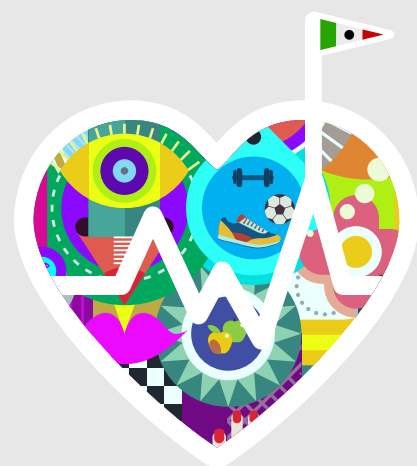
MÉXICO PONTE BIEN (MEXICO GET WELL)

México Ponte Bien was created in 2019 as an initiative headed by 12 consumer goods companies, together with Consumer Goods Forum, with the purpose of promoting among our customers the importance of making informed decisions, thus enabling them to adopt healthy lifestyles.

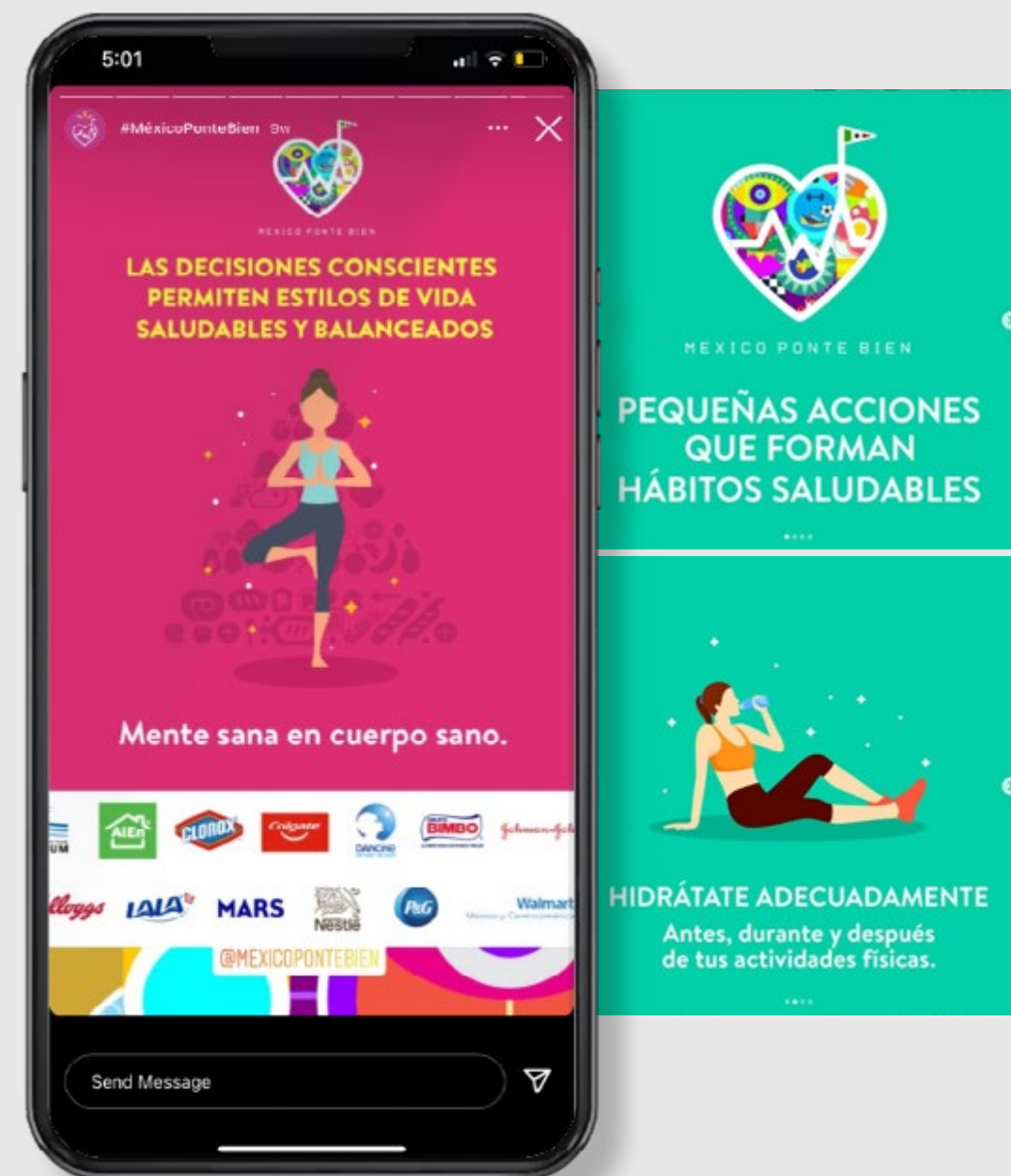
Therefore, due to the situation experienced by all and to continue contributing to better health for all society, in 2020 México Ponte Bien became a digital platform that showcases information, tools, and resources that contribute to their everyday lives and those of their families.

At www.mexicopontebien.com consumers can find monthly information on subjects related to nutritional education, personal care, household care, and an active lifestyle. In addition, there are publications on social media pertaining to the initiative and to participating companies.

With collaborative projects derived from three fundamental subjects -an active lifestyle, nutrition, and healthy habits- with the dissemination of important information on balanced diets, portion sizes of healthy eating, practicing personal care, health and hygiene habits, and ideas on how to remain active day to day, we seek to assist people in improving their lifestyles.



MÉXICO PONTE BIEN



RESPONSIBLE AND INCLUSIVE VALUE CHAIN

GRI 102-9, 204: 103-1, 103-2, 103-3, 204-1
SASB FB-FR-000.C, FB-FR-000.D

At Walmart de México y Centroamérica we have set the goal of promoting an inclusive supplier base, which creates economic opportunities for all people and their families.

We work with small farmers to improve their quality of life through improved market access, skill building, and training in the commercial vision. In this way, we promote local production innovation and growth in the region.

We are convinced that our supply chain must be a reflection of the diversity of our customers and of the communities where we live and work



41,186
regional suppliers



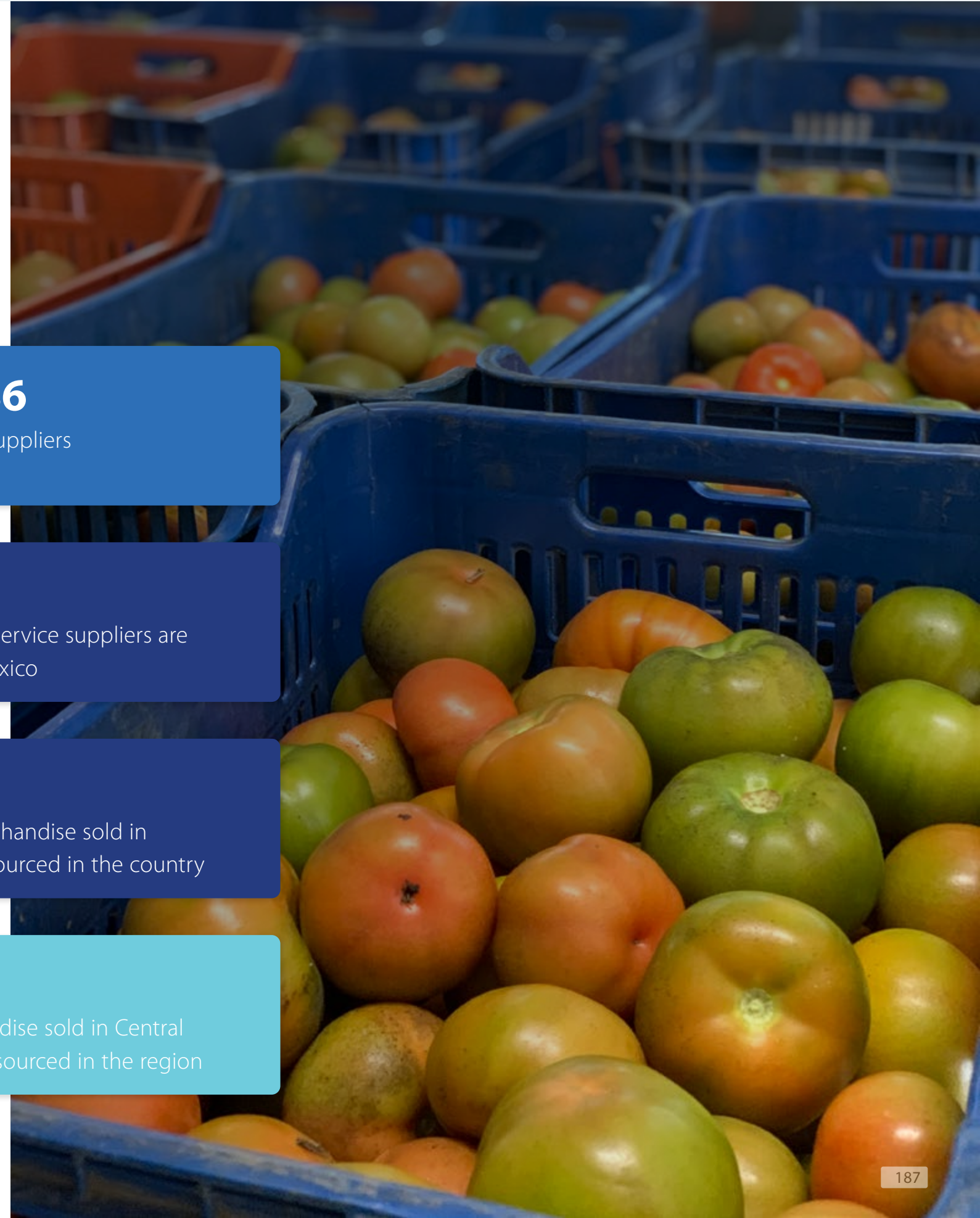
92%
of our self-service suppliers are SMEs in Mexico



93%
of the merchandise sold in Mexico is sourced in the country



88%
of merchandise sold in Central America is sourced in the region



RESPONSIBLE SOURCING

GRI 308-1, 308-2, 407-1, 408-1, 409-1, 412-1, 412-3, 414-1, 414-2, 308: 103-1, 103-2, 103-3, 407: 103-1, 103-2, 103-3, 408: 103-1, 103-2, 103-3, 409: 103-1, 103-2, 103-3, 412: 103-1, 103-2, 103-3, 102-9
 SASB FB-FR-000.C, FB-FR-000.D, FB-FR-430A.3, FB-FR-430A.4, FB-FR-430A.4, CG-MR-410A.3, CG-MR-410A.1, FB-FR-430A.1, CG-MR-410A.2



One of the operating strategic objectives in the supply chain is responsible sourcing. This entails analyzing what we purchase beyond traditional concerns such as cost, quality, and lead time, taking into consideration ethics, labor rights, and also social and environmental matters when procuring products and services in all buying categories and regions.

We promote the dignity of all persons who are part of our supply chains. To accomplish this we work in collaboration with industries and organizations around the world to combat both forced and child labor, eliminating unsafe working conditions and promoting the respect for the dignity of women.

Among the actions we conduct is the supervising and investigating of any inconsistency in the supply chain; including responsible sourcing in purchasing decisions; and involvement in initiatives aimed at finding the solutions that can transform entire supply chains.

Together with our suppliers, other companies, governments, and not-for-profit organizations, we are many players who are driving responsibility in the supply chain, thereby leading the way to inspire others to do the same.

Given the size and presence of our company, we have the opportunity to enhance supply chain conditions and achieve a large-scale positive change

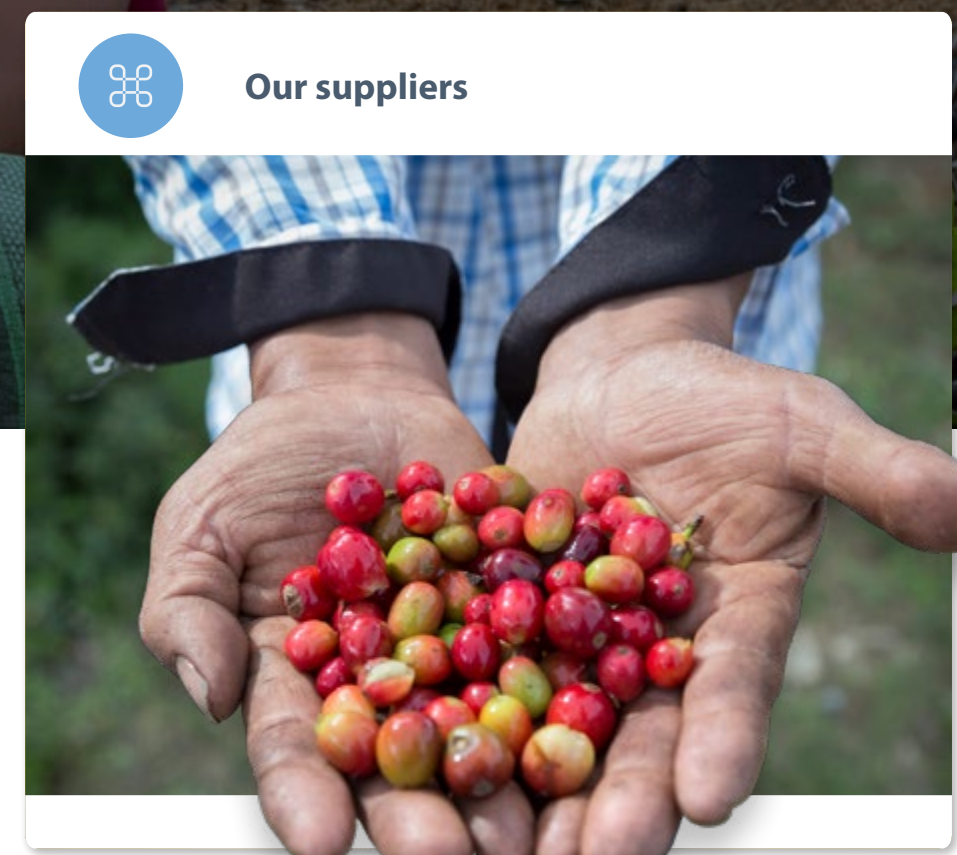


INCORPORATING RESPONSIBLE SOURCING PRACTICES IN OUR BUSINESS

We trained over 1,267 buyers and associates of the area in their international divisions, concerning responsible sourcing practices through digital tools

Thanks to the integration of our Enabling Business with our retail market supply office and supply centers, we are now able to incorporate responsible sourcing practices in the strategies, processes, systems and merchandising team decisions. This process begins by selecting suppliers and ends with new product development.

The Responsible sourcing Associates hold buyer meetings with suppliers to help establish expectations beforehand, and they receive training to understand the impact of their decisions on supply chain conditions, and how they can reinforce positive work practices with our suppliers. Newly-hired associates also receive training and participate in workshops and educational sessions that include subjects such as forced labor, safety and hygiene, as well as obtaining specific training for each category.



Our suppliers



EMPOWERING SUPPLIERS

Our suppliers are in charge of making our products and therefore we ask that they convey our expectations throughout their own supply chain.

Some of the mechanisms that we used to support our suppliers in promoting the dignity of employees:

Responsible Sourcing Academy:

Provides suppliers access to training resources, orientation on best practices, and third-party and WMM educational materials produced in several languages.

Subjects covered:

- Auditing Guidelines
- Global Compliance Guidelines
- Forced Labor
- Safety and Hygiene
- Supply Chain Controls

We are slated to continue adding more Academy resources, for both buyers and suppliers alike.

Training and special sessions:

Responsible Sourcing associates offer these sessions to newly-accepted suppliers worldwide.

Likewise, our newly-hired buyers learn about the program on Compliance With Responsible Sourcing, its policies and scope.

Updates training:

Throughout the year, our suppliers receive training so they may be updated, or special training in cases where specific risks are identified as needing mitigation.

Periodic communication is also sent to suppliers, explaining the different policy and program details.



+1,486 supplier representatives completed training courses



207 new supplier representatives received training



SUPPLY CHAIN RISK ASSESSMENT

GRI 102-11

Each year, Responsible Sourcing evaluates risks so we can better understand social compliance risks in the supply chain.

Among the risk evaluation criteria under consideration are:

- The most susceptible supply chain areas and having the greatest impact in key risks
- Country risk analysis, based on internal and external data, including the number of issues and the rate of the same; also, the relative gravity and impact on people, operations, and reputation, taking into account the impact on people and also which has the greatest weight.

- Specific risks for commodities and other products, all based on data, local and pert intelligence; official publications and reports from the media and NGOs to better understand the places and the supply chains where the problems are especially serious.

The final evaluation risk varies according to the supply chains for certain products, countries, or both. The results are incorporated into the design process for the Responsible Sourcing Strategy, including identifying the fundamental causes for the problem, evaluating possible solutions -including existing or emerging initiatives- and measures for mitigating risks. The latter could include policy or procedure changes by influencing our approved audit programs, stemming from changes to our monitoring process and scaling the supply chain, or by implementing new initiatives.



The results enable us to design solutions in countries and industries where risk and opportunity converge

GOVERNANCE AND POLICIES

All suppliers are bound by the [Walmart Supplier Standards](#). Among the requirements for both our suppliers and for those who supply them, are the following:

-  **Comply with the law**
-  **Be transparent**
-  **Never use forced or child labor**
-  **Maintain a fair decision-making process regarding employment**
-  **Comply with all applicable laws and agreements on compensation and work hours**
-  **Recognize the freedom to associate and collective bargaining**
-  **Provide a safe working environment**

Suppliers are charged with complying with these rules in all their operations and throughout the entire product supply chain, which are included in supplier agreements, published in [seven languages](#).



RISK-BASED AUDITING

GRI 102-15, 102-11

We strive to continuously improve our auditing program, enabling us to assign our resources to facilities with greater risks and helping to increase overall compliance.

Our approach to auditing supplier facilities is risk-based. We assign more resources to those located in countries with greater potential risk; if we discover that a supplier is producing merchandise in an unauthorized plant, or outsourcing to an unauthorized plant, said supplier is at risk of having their business with us terminated.

We currently have 6,088 suppliers with active contracts and associated facilities for Mexico and Central America markets. According to the Plant Audit System, we currently run 1,696 facilities in Mexico and Central America that supply several Walmart retail markets, including retail markets of Mexico and Central America.

Through programs benefitting the broader industry and global supply chains, our audit program team works with our approved suppliers to conduct improvements and share best practices.



The audits are focused on a variety of matters, such as:



AUDIT EVALUATIONS

Each report on facility auditing is evaluated regarding our Supplier Standards. We identify issues of greater risk, including: forced labor, people trafficking, child labor, and unsafe working conditions.

These evaluations provide important information that enables us to approach potential problems and produce a positive impact on our suppliers' workers


Audits are tagged green, yellow, orange or red, depending on the compliance level attained:

 **Green**

Facilities where we found overall compliance

 **Yellow**

Facilities whose auditing results are overall compliance with our standards, but where there is non-compliance noted in at least one important requirement

 **Orange and red**

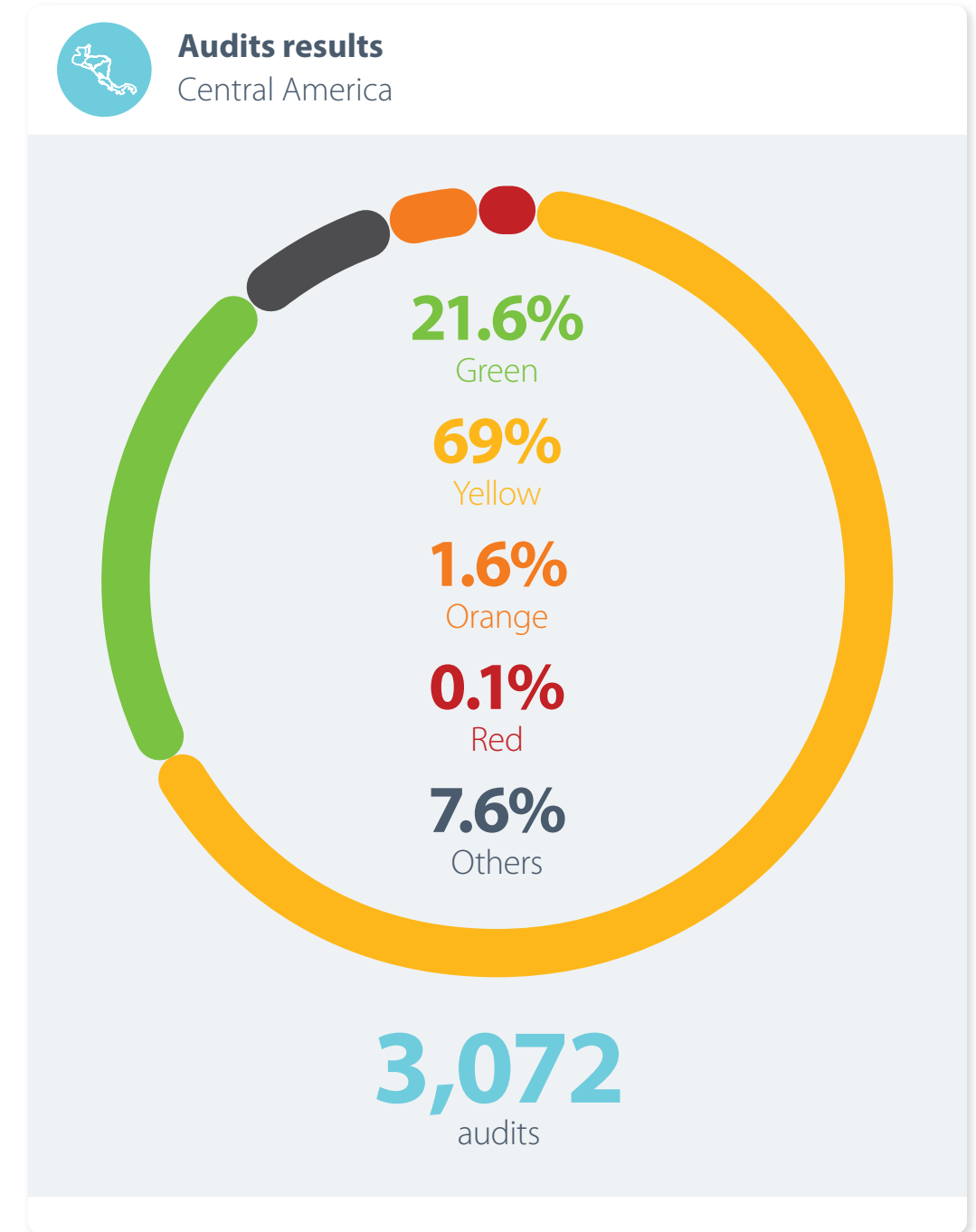
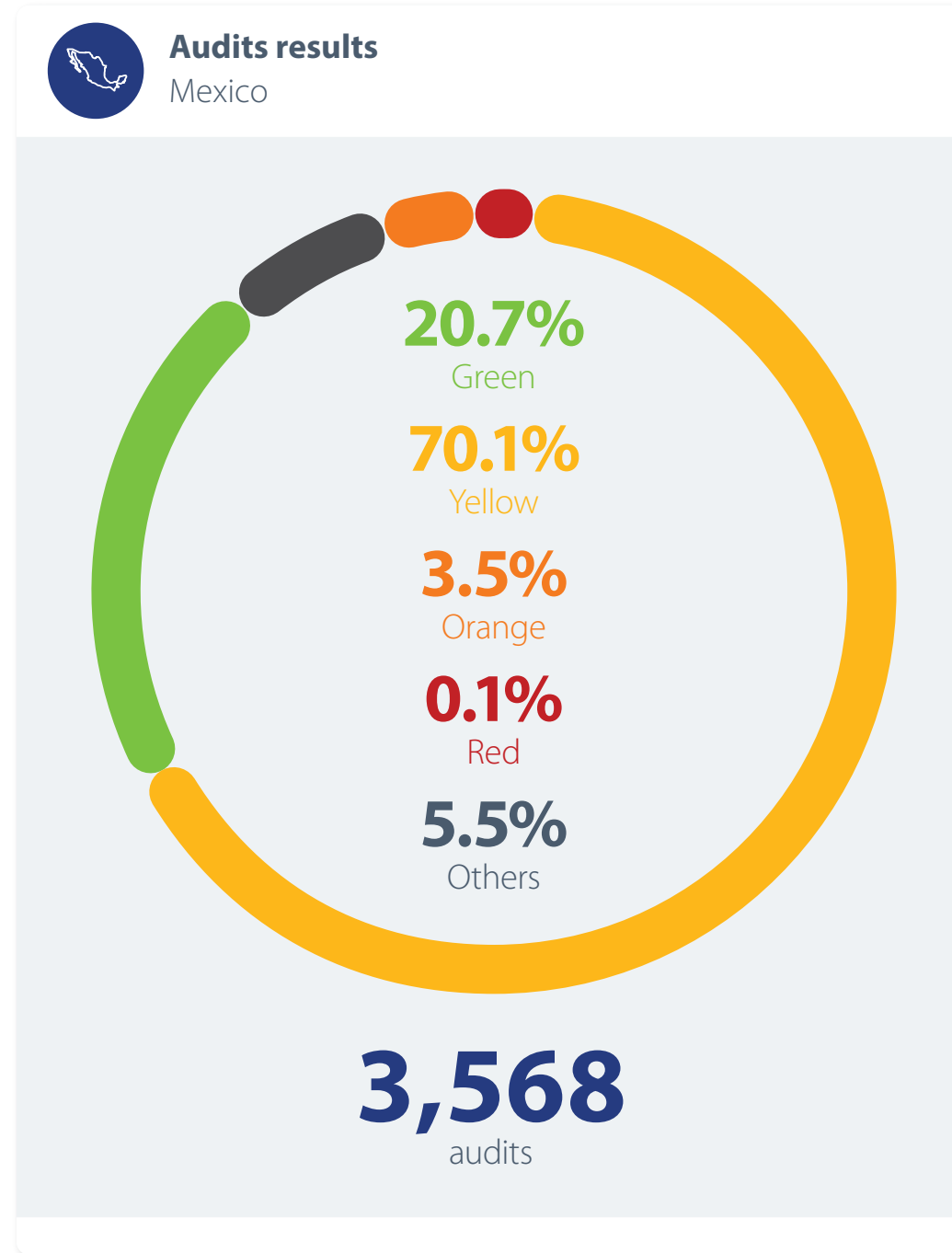
Facilities wherein we have found more serious violations, such as withheld or irregular payment, forced labor, worker intimidation or discrimination, unethical recruitment practices, and excessively-long work hours

In 2020, according to the Plant Auditing System, 6,640 audits were conducted in facilities working within retail markets in Mexico or Central America

We can continue receiving supplies from facilities having been ranked orange, if and only if they are working to correct the issues noted, as we feel that continued work with them will have a greater positive impact on their workers than terminating the commercial relationship altogether.

In 2020, 191 plants went from orange to yellow or green. However, the facilities with three consecutive orange classifications, or one red one, represent serious violations that can lead to temporary or permanent termination of their relationship with Walmart.

- Has found the least severe violations
- Have failed to meet at least one important requirement
- Will continue to be allowed while the violations are remediated*
- May make it appropriate to temporarily or permanently terminate the facility's ability to produce merchandise for sale by Walmart**
- Other



* Three consecutive Orange ratings may result in a Red rating, regardless of whether the facility remains in good standing with the audit program chosen.
 **If a facility is given a Red rating, it may be banned from producing goods for Walmart indefinitely or its production may be halted and/or its product refused.

¿Es usted víctima de intimidación o discriminación?



Los signos de prácticas laborales injustas incluyen:

-  Su empleador toma decisiones laborales con base en factores no relacionados con el trabajo
-  No se le permite ejercer sus derechos de asociación o no asociación con otros
-  Su empleador recurre al acoso, abuso o castigo físico

Si es así, hable sin reservas.

- Hable con un compañero de trabajo, supervisor o un representante autorizado de los trabajadores
- Comuníquese con Walmart a cualquier hora y en cualquier momento:
Correo electrónico: ethics@wal-mart.com
Visite: walmartethics.com
Llame: 01 800 9638 422
- Comuníquese con las autoridades gubernamentales competentes

Presente una denuncia si experimenta u observa alguna de esas situaciones



¿Se siente inseguro mientras trabaja?



Los signos de un lugar de trabajo inseguro incluyen:

-  No se le proporciona equipo de protección personal
-  Las salidas, puertas y vías de escape no están marcadas o no están disponibles para utilizarlas
-  El inmueble, equipo y accesorios no reciben mantenimiento

¿Trabaja usted en contra de su voluntad?



Los signos de trabajo forzado y trata de personas incluyen:

-  Retención de los pasaportes de viaje, en el sitio de trabajo y permisos de trabajo
-  Amenazas o castigos que obligan que se haga el trabajo o se permanezca en el sitio de trabajo
-  Pago por obtener el trabajo o estar involucrado por deudas o deducciones en el salario
-  Transacciones que no han cumplido la edad legal

Si es así, hable sin reservas.

- Hable con un compañero de trabajo, supervisor o un representante autorizado de los trabajadores
- Comuníquese con Walmart a cualquier hora y en cualquier momento:
Correo electrónico: ethics@wal-mart.com
Visite: walmartethics.com
Llame: 01 800 9638 422
- Comuníquese con las autoridades gubernamentales competentes

Presente una denuncia si experimenta u observa alguna de esas situaciones



REPORTING MECHANISMS

We have different mechanisms for presenting concerns on non-compliance with our regulations and for seeking remediation, with our Ethics Hotline being the primary one.

We use [posters](#) as a tool for informing supply chain workers of our expectations and the availability of reporting channels. These posters are available in [24 languages](#), focusing on subjects of greater risk for the workers, including forced labor, trafficking, unsafe working conditions, working hours, wages, intimidation, and discrimination. They also include channels for informing Walmart directly of certain worrisome subjects. These channels are also available on our corporate website.

Every claim is reviewed and can be referred to the investigation team for Responsible Procurement or other compliance teams within Walmart.

INVESTIGATIONS AND COMMITMENT TO SUPPLIERS

Suppliers are primarily responsible for ensuring compliance throughout their supply chains, and correcting any non-compliance, including in those plants that where products are made for the company.

Supplier facilities are supervised through audits -under our risk-based approach- and we investigate any violation of our Supplier Standards. This means that suppliers having facilities with greater risk, situated in countries with greater potential risks and who provide imported merchandise directly to Walmart, will have more frequent audits. Those who are asked to conduct an audit must work with an eligible program, follow the program instructions to schedule the audit, and then send the complete report to the company.

On the other hand, we assess the findings in each audit report for the facilities audited.

Non-compliance and failing to correct could have consequences, including termination of the relationship with the supplier, and/or the plant's ability to produce goods for sale in our company.



For further information on the initiatives we have with different industries throughout the world, visit our website [Responsible Sourcing](#) 



For our suppliers, working with Walmart means having access to more than 2 billion customers who shop every day in our stores, clubs, and on our eCommerce sites

LOCAL AND INCLUSIVE SUPPLY CHAIN

GRI 102-9

Our purchasing power has become a two-way development tool:

- To develop our different suppliers
- To support small suppliers in vulnerable situations

As set forth in our [Declaration on Supplier Inclusion](#), signed by the CEO for Walmart Inc., Doug McMillon, we believe a diverse supply chain offers better quality products, and of greater variety, for the communities we serve.

DEVELOPMENT OF OUR SUPPLY CHAIN

GRI 204-1



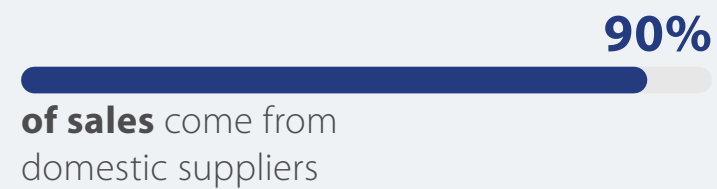
Direct sourcing from local suppliers of Our Brands



Mexico



Central America



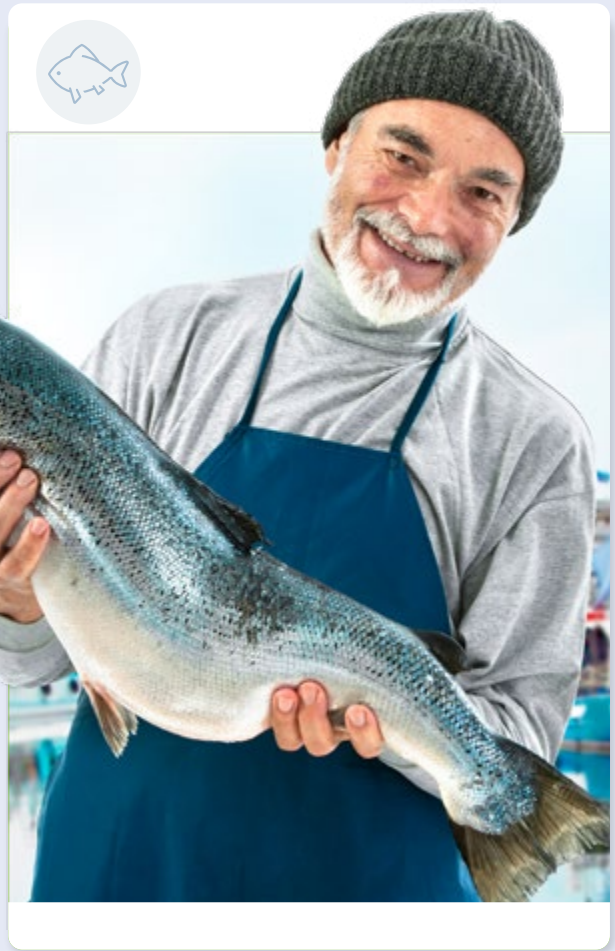
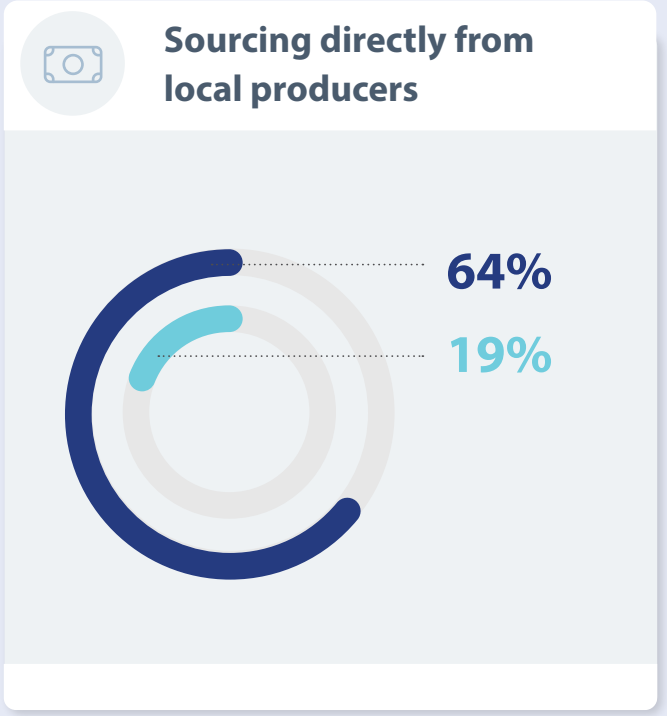
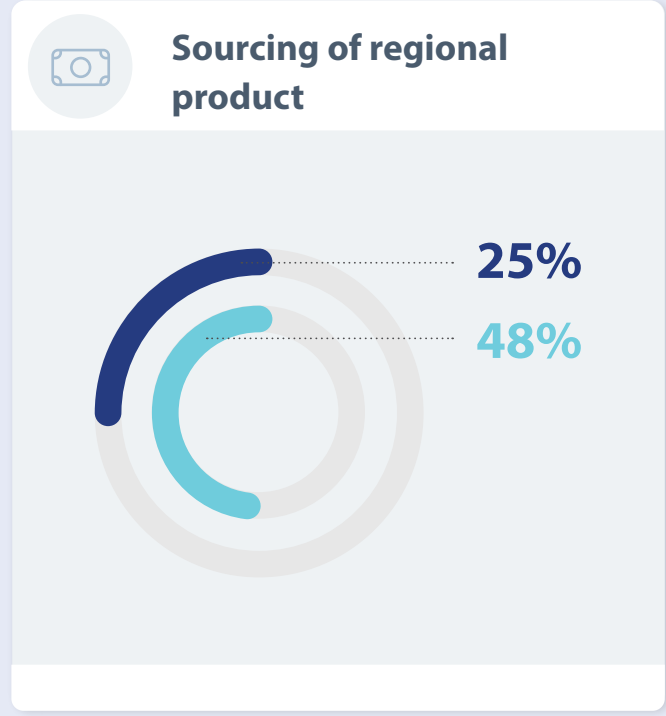
PURCHASING DIRECTLY FROM LOCAL SUPPLIERS FOR FRESH FISH AND SEAFOOD



Mexico



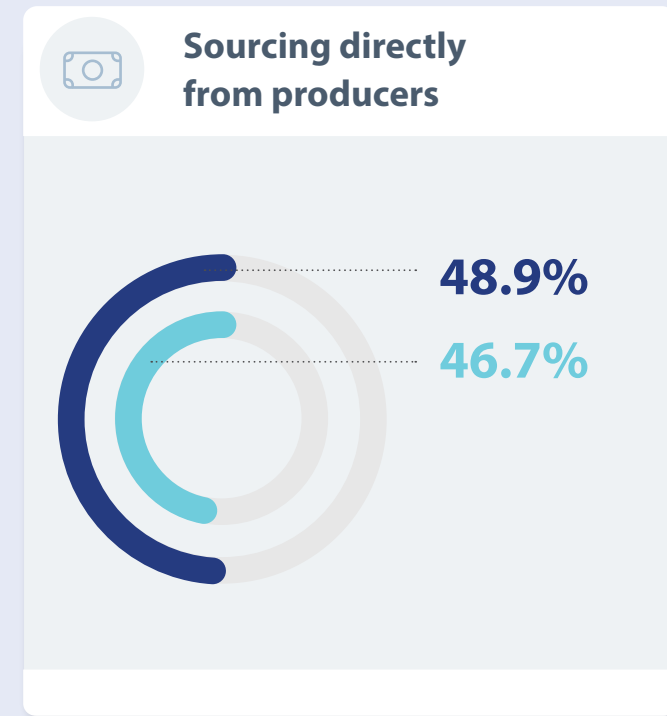
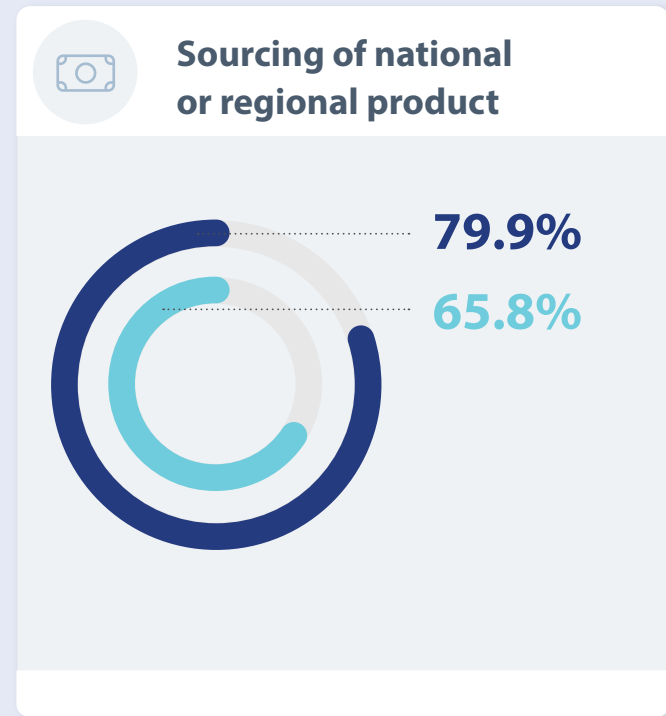
Central America



DIRECT SOURCING FROM FRESH LOCAL SUPPLIERS

FRUITS AND VEGETABLES

-  Mexico
-  Central America



DIRECT SOURCING FROM FRESH LOCAL SUPPLIERS

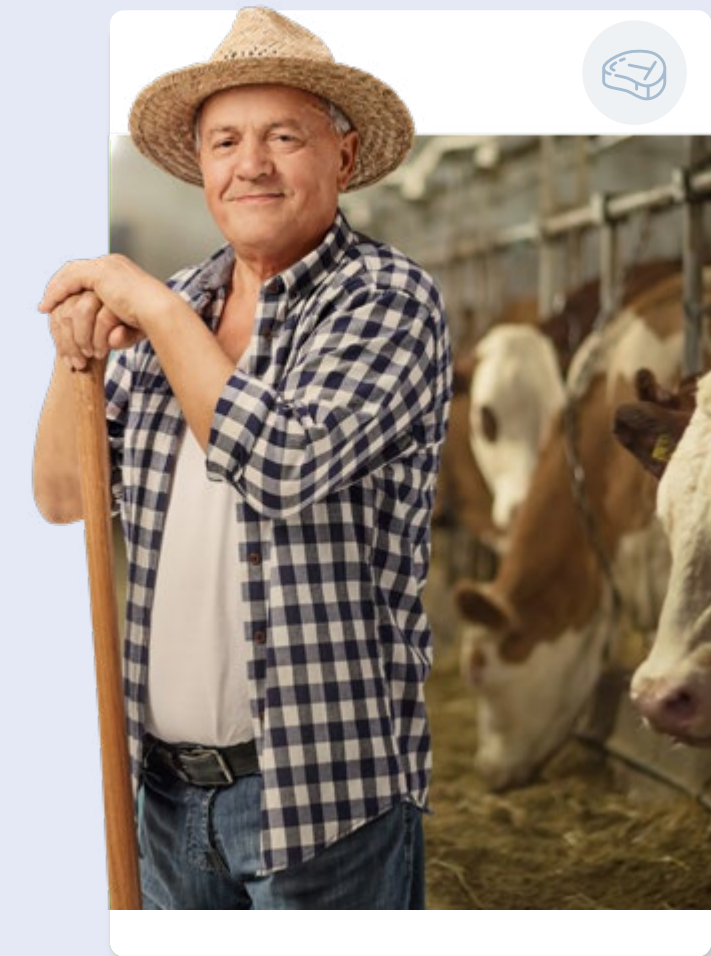
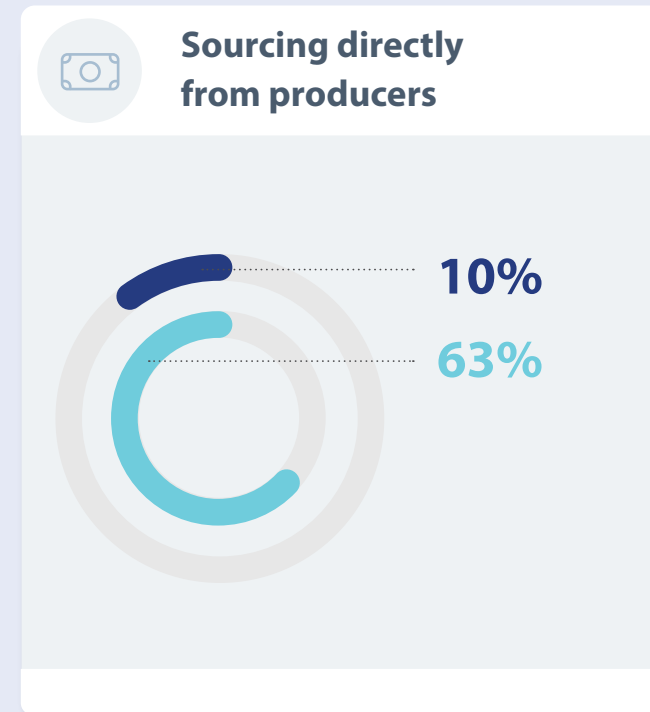
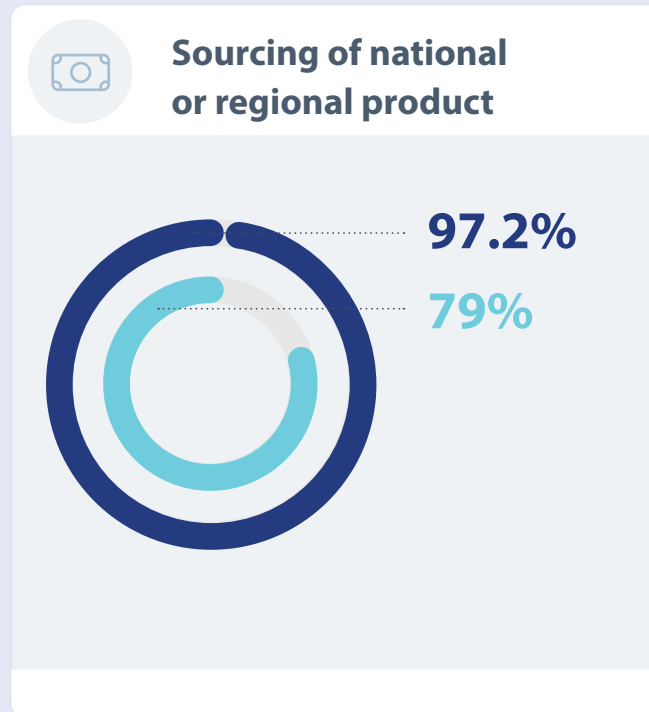
MEATS



Mexico



Central America





ADOPTA UNA PYME (ADOPT AN SME)

Adopta una PyME is a program whose purpose is to help small and medium-sized enterprises increase their sales and develop their operating, financial, and logistics capacities.

Some of the benefits for the suppliers who are part of this program include:

- Access to shared sales promoters
- Training courses on self-service
- Positioning their products in the media

It enables them to have a broader vision of the business to improve performance and to strengthen their commercial strategy.

- In Mexico, we supported 25 suppliers who offered products in Bodega Aurrera, Superama and Walmart, nationwide
- These suppliers joined the almost 300 who have been fostered in the four previous generations, and who have generated more than 30% in sales
- We have the participation of associates who have helped companies focus their efforts on retail know-how

By continuing with this program, we are able to continue growing with our suppliers and contribute to our country's development, in favor of Mexican families



UNA MANO PARA CRECER (A HELPING HAND)

The purpose of this program is the sustainable development of our suppliers in Central America, with special emphasis on the economic empowerment of women.

Among the benefits of participating in this program are:

- Preferential rates in timely payments
- Logistics
- Participation in events like ExpoWalmart
- Training, sales promotion, accompanies monitoring and follow-up for their business, with personalized service

Examples of this training include the online courses on value proposition and innovation, market analysis, sales, and customer service, among others.

Currently, the program has 467 SMEs, of which 36% are headed by women



TIERRA FÉRTIL (FERTILE SOIL)

This program aims to transform small and medium-sized farms into agribusinesses. We ensure them access to the formal market through direct purchases, training, and assured payment. We provide access to technology, best farming practices, and we guarantee food safety and security for their products.

The three primary lines of work for this program are:

- **Buying directly from the farmer:** This makes the farmer an active part of the supply chain, with competitive prices and less intermediaries, thereby ensuring timely payment and greater income for the suppliers
- **Training and technical assistance:** With the support of expert Walmart associates and outside consultants, we provide our suppliers with training and/or technical assistance in different fields of expertise: seed quality, crop rotation, post-harvest handling, responsible use of water resources, good manufacturing practices (GMP), basic management skills for agribusinesses, and financial assistance. Moreover, we conduct ongoing and frequent training for farmers in Good Agricultural Practices (GAP)
- **Facilitating access to technology and expertise:** This is managed through NGOs, with the direct donation of goods or by implementing projects that facilitate tools, equipment, new farming technology, and direct investment resources



Support for our suppliers has increased thanks to the hiring of agronomical engineers and specialists who work as in-house technical consultants



They constantly visit the farmers and advise them on clean production with low levels of agrochemicals; pest and disease control; crop nutrition and care; soil management; and resource efficiency.

- Throughout 2020, we trained over 1,895 people, of which 20% are women, in environmental impact-reduction techniques; how to improve productivity; how to guarantee the safety of the products we purchase; and ways to increase their sales.
- Through this program, we have helped by buying directly from 651 small and medium-sized farmers, thereby benefiting 9,930 Central American families. 91 of these farmers are women, who represent 14% of our fruit, herbs, and vegetable suppliers.
- The total purchases from these farmers amounted to 1,475 million pesos, representing 55% of the fruit, vegetable, and grains sold in our stores throughout Central America.
- Throughout 2020, we worked on the training of farmers with 121 technical courses and we helped in the creation of business skill for 60 farmers, in alliance with the Costa Rica Technological Institute.



PEQUEÑO PRODUCTOR (SMALL FARMERS)

GRI 413-1

Through the Walmart Mexico Foundation, since 2004 we have been helping in the development of Mexican agriculture. Financial donations have been provided for production projects for impoverished communities, and for the intensive development program for farmers and manufacturers.

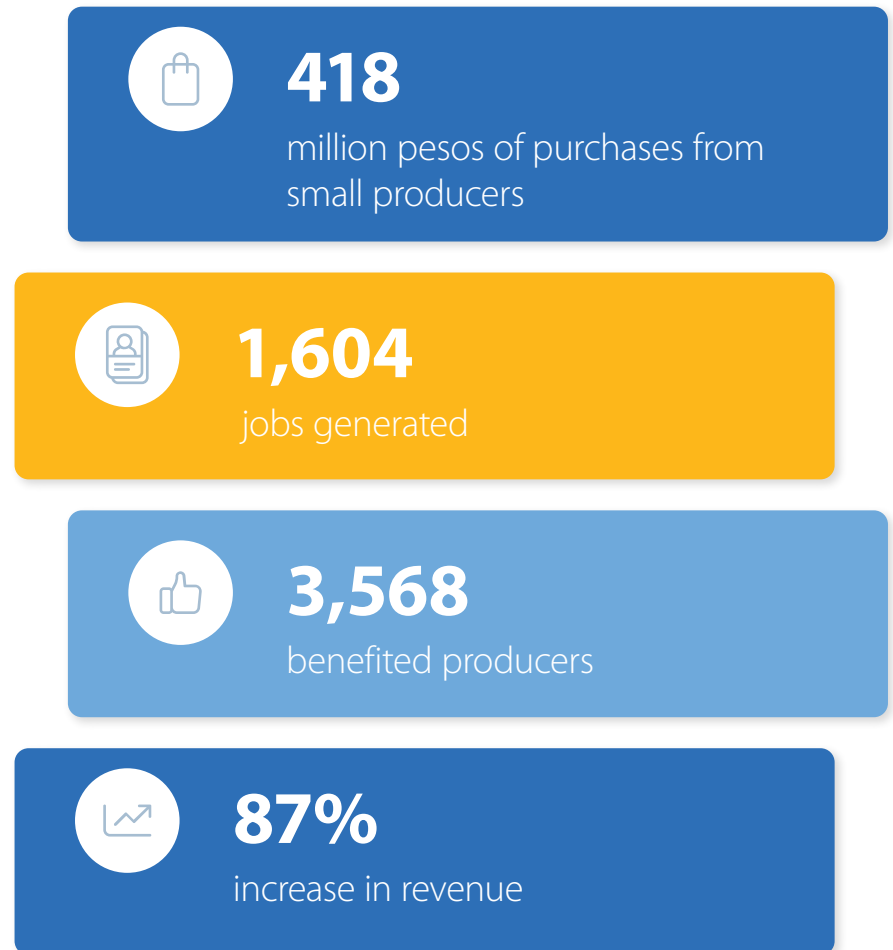
The program focuses on the following:

- Improving working conditions for farmers
- Providing training in the agricultural production process, logistics and business
- Selling their products in our stores, under preferential conditions

In alliance with other organizations, we have provided training, funding, and access to the commercial market. This allows them to develop their products and reinforce their commercial and business skills, and farming practices, always protecting the environment, and selling their items in our stores or in any other self-service business, and even exporting them.

Monetary resources, sales floor, purchasing capacity, and the time and talent of associates from all commercial areas and logistics are all involved in this program.

Through this program, we have been able to contribute towards greater productivity, increased income and economic activity, generating jobs, and creating new businesses, with special focus on the inclusion of young people and women.



SUCCESS CASE

Chincultik

The Chincultik Peasant Union, in the municipality of Frontera Comalapa, within San Gregorio Chamic, in Chiapas.

This agricultural enterprise started with 500 lime growers who were trained thanks to the Small Farmer program in 2017 and 2018. In 2018, a total of 85 growers began selling limes in the formal market, invoicing a total of 3.7 million pesos.

During 2019, small farmers participated in the program, they consolidated their operation and increased their sales by 54%. to 5.7 million pesos. These farmers then gained confidence in the area and decided to invest in an antenna and 20 radios; given how remote their area was, it was not possible to communicate via traditional means of telecommunications.

At the end of 2020 they closed sales at 12.4 million pesos, which represents an 117%-increase as compared to 2019; they generated 595 direct jobs. Thanks to the profits generated, the farmers purchased their own computer equipment, and land with an accessway that is currently operating for the new 2021 season.



 Labeling



 Lemoners



 Selection

BUILDING STRONG COMMUNITIES

GRI 102-12, 411:103-1, 103-2, 103-3, 411-1, 413: 103-1, 103-2, 103-3, 413-1, 201-1



During these times of pandemic, at Walmart de México y Centroamérica we honor our commitment to supporting society by contributing to improve the development of the communities where we operate and who need us the most.

In 2020, we earmarked over 1,770 million pesos to projects that create opportunities, improve sustainability, and strengthen communities through the combined assistance of in-kind and cash donations.

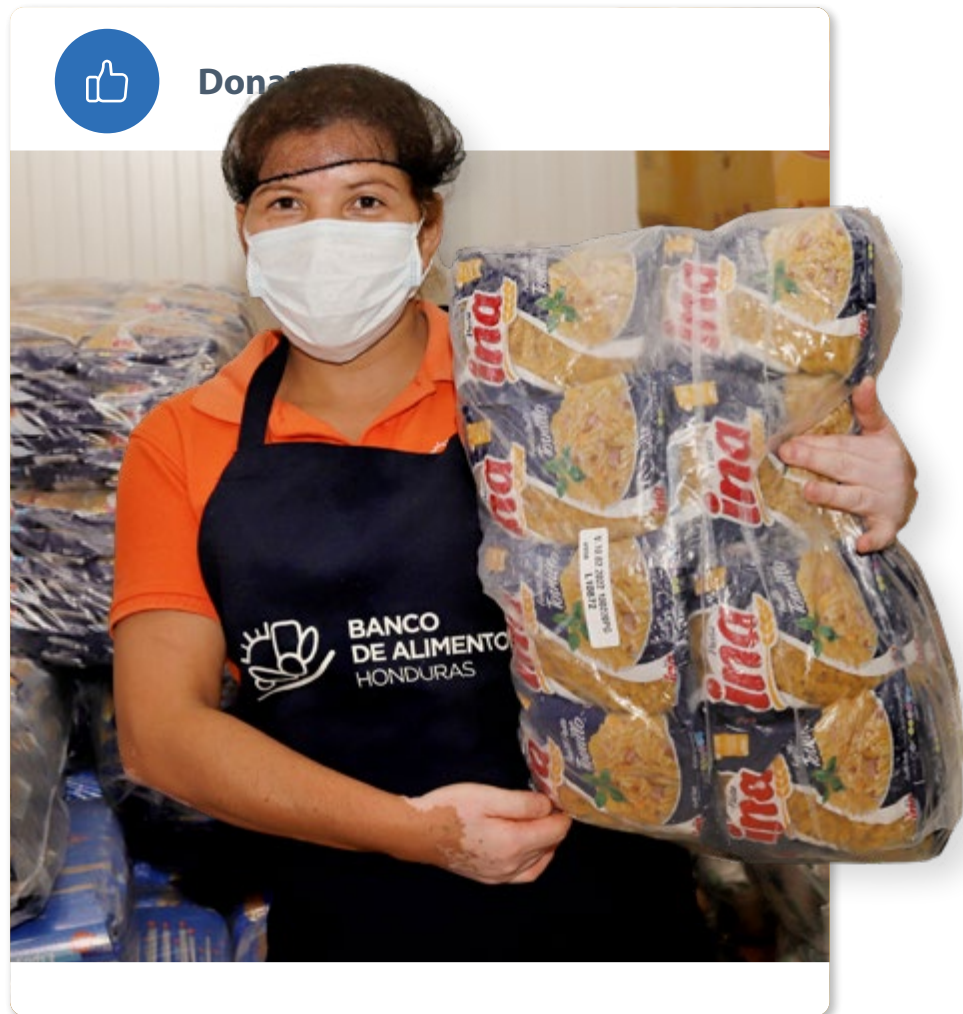
With the collaboration of our allies and stakeholders, we have worked to transform systems by creating projects that generate economic opportunities for individuals and their families.



 **2,738,835**
beneficiaries impacted

 **1,770**
million pesos channeled via social impact programs

 **154**
NGOs working in alliance with the company to maximize the impact and scope of our social programs



The resources used to channel the derived social benefits incorporate monetary and in-kind resources, the talent of our associates, sales floor, and logistic and purchasing capacity. In consequence, we are able to create alliances with our suppliers and increase the capacity and impact of our social programs.

Stemming from the pandemic, in 2020 we did not launch the call for monetary projects because the resources were set aside for health crisis.

Our community support program focuses on four lines of action:

-  Food security
-  Volunteerism as a means to promote citizenship
-  Support during natural disasters
-  [Support for small farmers](#) 



Our social action strategy is tied to the core business of the company and its greatest potential for generating value





FOOD SECURITY



 **Over 34,400 tons of food donated to 102 foodbanks, benefiting more than 2 million people in the region**

This pandemic has further deteriorated the food security situation in certain communities; our soils, fresh water, oceans, forests, and biodiversity are deteriorating rapidly. Climate change is exerting even greater pressure on the natural resources we rely on, increasing the risks associated with disasters such as droughts and flooding. Many men and women in rural areas who work the land are no longer able to meet their needs by the end of the month, thus compelling them to seek opportunities in cities.

The lack of food security is also causing problems for millions of children such as stunted growth or being too small for their age groups due to severe malnutrition.

It is for these reasons that we are working together to strengthen and extend the food bank system and channeling it to those who need it the most.

The donations from our stores, clubs, offices and DCs go to foodbanks and NGOs who have the capacity to efficiently distribute the food received from all our business units to communities, thereby increasing the positive use of food and merchandise throughout the country.



The philanthropic food network depends on a sound infrastructure. We therefore earmark funds to the purchase of equipment and transportation, in addition to providing the experience and know-how of our associates who assist the different NGOs and foodbanks to extend their scope and impact.

Moreover, we financed the construction of household gardens and farms for subsistence agriculture in rural areas. This program fosters sustainable nutrition, an increase in disposable income, empowering women, and building a capacity development platform for production.

In Central America we are founding members of foodbanks in Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica. Along with donating products, we render support with volunteerism days where our associates classify and package donations, in addition to conducting visits and activities in favor of the foodbanks.

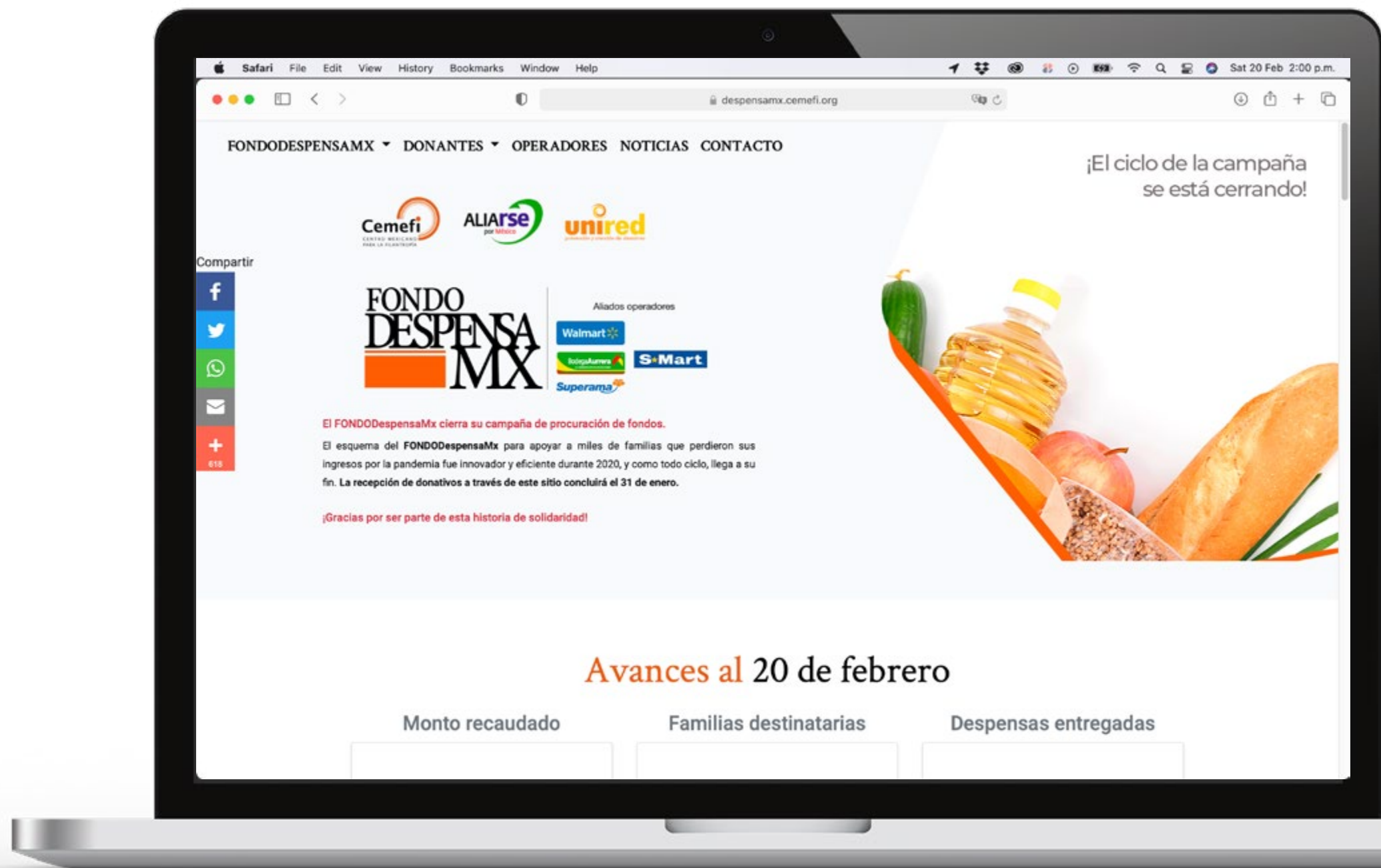
- In 2020, our stores, plants, and distribution centers donated more than 4,650 tons of food products to foodbank programs located throughout Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, benefitting more than 535,300 people.

In cooperation with 36 suppliers throughout the region, we delivered almost 67 tons of in-kind donations such as food, personal care, hygiene, and biosafety products, thereby benefiting 225,860 Central Americans

FONDO DESPENSA MX (MX PANTRY FUND)

In Mexico, we became allies of the [Fondo Despensa MX](#) initiative, driven by CEMEFI -Mexican Philanthropy Center- and aimed at supporting nutrition for families who lost their source of income or had it diminished because of the pandemic; 26.3 million pesos were collected by contributions from allies and customers.

Similarly, as part of this initiative, during November and December we conducted a campaign titled Making Magic, whose purpose this time was to fight hunger. Through this campaign we were able to collect 220,713 pesos, from our customers, which was then given to CEMEFI. It was very easy to participate; all our customers had to do was donate 5 pesos or more at the cashier in any of our stores and clubs, or make donations of a minimum of 100 pesos with our [online platform](#).



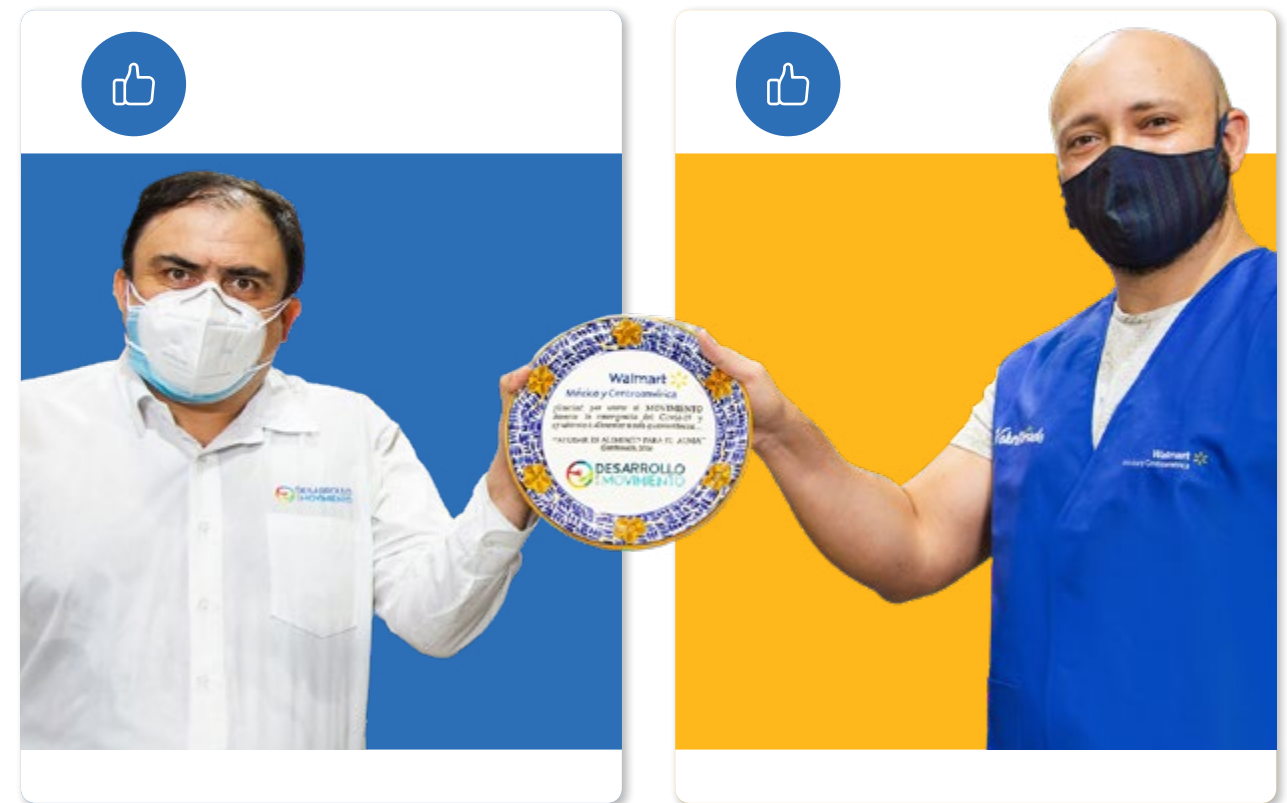
DISASTER RESPONSE

Thanks to our CCO -Center for Operation Continuity- and our planning and operation practices, we are able to identify, evaluate, classify, and respond quickly to natural disaster and safety events that affect our operations, associates and/or the communities we serve.

The CCO operates 24/7, identifying emerging risks, helping facilities and associates prepare for disasters, monitoring the crisis as it develops, and serving as a classification point for emergencies in our stores and offices. This center activates multifunctional teams company-wide to prepare and respond to disasters quickly and efficiently. The primary team includes experts in handling emergencies, who frequently train our associates.

In the case of disasters, we employ a series of internal resources, including portable generators, fuel resources, trucks, and associates who can help manage our corporate response to crisis in the field. Through the efforts of the CCO in coordination with local, state and federal government agencies, not-for-profit organizations, and volunteers from all over the world, we determine the support strategies for local communities during a disaster situation.

What is more, thanks to our infrastructure, the Mexican Red Cross, and the revolving fund for humanitarian assistance that we have in operation, we are able to provide support for different affected communities throughout Mexico. During the first 24 hours after a natural disaster, we donate food, cleaning and personal hygiene items.



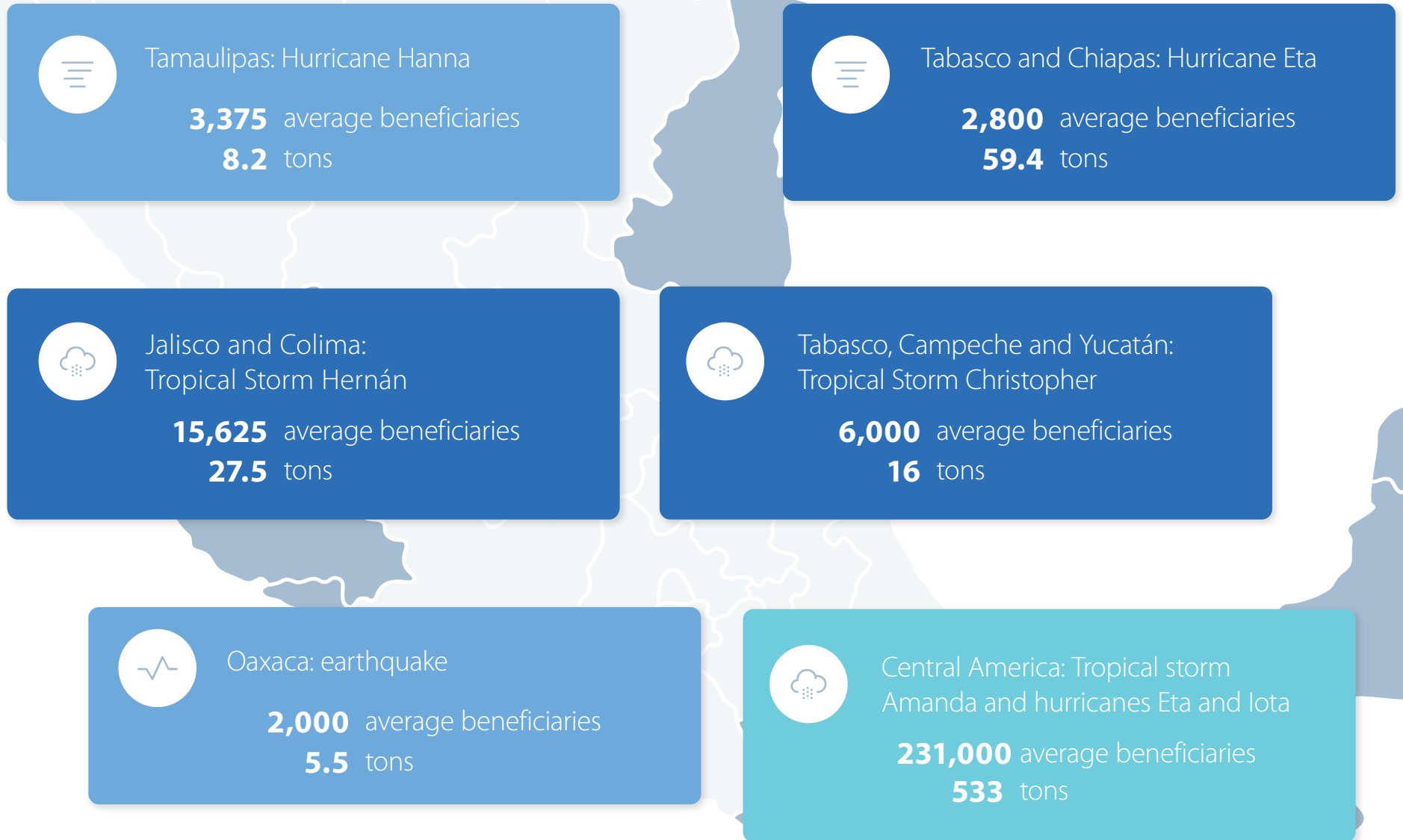
**934 tons of support
channeled for 618,263
victims of disasters**

In Central America, we faced two natural disasters: the first was tropical storm Amanda, that primarily affected El Salvador; the second were hurricanes Eta and Iota, which hit Nicaragua, Honduras and Guatemala quite hard, leaving hundreds of victims of disasters.

Through Walmart Central America, we made in-kind donations amounting to 10.6 million pesos, benefiting over 231,000 people, with food, hygiene equipment, personal care items, and baby products, among other basic commodities.

Moreover, through our Helping Hands campaign, we were able to collect over 22,000 kilos of non-perishables and other basic commodities, benefiting those who ended up affected.

Likewise, we make the company supply and logistics capacity available, as well as any monetary donations, as was the case of the following disasters:






 **7,055**
participating volunteers in Mexico

 **2,361**
participating associates as volunteers

 **4,694**
participating customers and family members, as volunteers

 **35**
volunteerism activities

VOLUNTEERISM

As of 2003 we have continuously held our volunteerism program, witnessing firsthand the impact it has on the lives of others. This program represent a great opportunity for our associates to participate in community enhancement and environmental protection projects with their time and talent, thus promoting civic pride and commitment to the community.

In Mexico, we had the opportunity to conduct volunteer activities only in January and February because with the onset of the pandemic as of March, all activities were suspended.

This operated, by keeping up with regulations set forth by each country, and adhering to internal measures for the protection of our associates.

Nevertheless, community support where our company operates never stopped being a priority. We donated ventilators to the Mexican Red Cross for ambulances transporting patients severely ill with COVID-19. We provided local support through our stores, delivering more than 9 tons of food and hygiene and cleaning items; and we assisted 23,000 senior-citizen volunteer packers, with more than a total of 250 tons of food delivered to their homes.

Through this initiatives and our involvement in different social causes, we keep our role as a social development ally in the region